



STATE OF WASHINGTON
GAMBLING COMMISSION

P.O. Box 42400 · Olympia, Washington 98504-2400 · (360) 486-3440 · TDD (360) 486-3637 · FAX (360) 486-3631

Dear House-Banked Card Room Applicant:

RE: Preparation and Submission of Internal Controls

Included in this packet is a selection of the WAC rules governing house-banked card rooms along with additional supporting information required which, when combined, will make up your on-site internal controls. Also included is Handout "B", which is solely the additional information you are required to submit to your local field agent.

The internal control packet is divided into different sections with each section covering the controls for the various departments. This will allow for efficient use of your internal controls. For example, as part of the training for cage employees, a copy of Cashier's Cage section should be given to each cage employee and discussed thoroughly with him/her.

In order for your on-site internal controls to be complete, you must add the information requested in the table of contents. Any additional controls not requested, but instituted within your organization, shall be inserted in the appropriate area(s) they relate to.

In preparing your internal controls, you may not amend the WAC rules included in this packet. WAC rules will govern over any control procedures added by the licensee.

Handout "B" will be submitted to the Special Agent assigned to complete your review. In preparing this submission, please follow the table of contents provided. Please submit all information requested in the table of contents. In order to meet deadlines for Commission approval of your house banking activity, Handout "B" must be submitted complete and as scheduled by the Special Agent.

Contact the Special Agent assigned to your review if you have any questions on this process.

INTERNAL CONTROLS

HOUSE-BANKED CARD GAMES

(Licensee Name)

(Date of Submission)

(Signature of CEO)

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- **WAC 230-40-815** ADMINISTRATIVE AND ACCOUNTING CONTROL STRUCTURE – ORGANIZATION – HOUSE-BANKING
 - *Include organization chart.*
 - *List all gaming operation positions and their job descriptions.*
 - *Include procedures for emergency accessibility and service. Include notification of local law enforcement.*
- **WAC 230-40-821** GENERAL ACCOUNTING RECORDS – HOUSE-BANKING
 - *Include record keeping system procedures for tracking all employees to ensure they have met licensing requirements.*
- **WAC 230-40-823** HOUSE-BANKED CARD GAMES – FINANCIAL AUDITS REQUIRED
 - *If required, include name of the CPA firm that will conduct the audit.*
- **WAC 230-40-400** HOURS FOR CARD GAMES – PROCEDURES FOR CHANGING HOURS
 - *Include hours of operation and any approval for extended hours.*
- **WAC 230-40-030** NUMBER OF TABLES AND PLAYERS LIMITED
 - *State which card games will be played and how many tables of each will be played.*
- **WAC 230-04-022** CERTIFICATION PROCEDURE – INFORMATION REQUIRED FROM ALL APPLICANTS
- **WAC 230-04-140** LICENSING OF PUBLIC CARD ROOM EMPLOYEES – PROCEDURES – EXCEPTIONS
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- **WAC 230-40-890** SIGNATURES – REQUIREMENTS
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(Include forms in record keeping section)
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- **WAC 230-40-052** DAILY RECORDS – CARD GAMES
 - *Include copy of additional record keeping forms used which are not included in the commission record keeping packet or which have been revised from that in the record keeping packet.*
- **WAC 230-40-821** GENERAL ACCOUNTING RECORDS – HOUSE-BANKING
 - *Include name of accounting software used.*
 - *Include types of reports maintained on a daily, weekly, monthly, and yearly basis.*
 - *Define fiscal year.*
- **WAC 230-40-808** DEPOSIT REQUIREMENTS FOR PRIZES – HOUSE-BANKING
 - *Include name and location of bank where prize account will be maintained.*
- **WAC 230-40-855** ACCEPTANCE OF TIPS FROM PATRONS FOR HOUSE-BANKED ACTIVITIES
 - *Include policy and procedures for the accountability and distribution of tips.*
- **WAC 230-40-860** TABLE INVENTORIES AND PROCEDURES FOR OPENING TABLES FOR HOUSE-BANKED CARD GAMES
- **WAC 230-40-890** SIGNATURES – REQUIREMENTS
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- **WAC 230-40-830** CASHIER'S CAGE – REQUIREMENTS – HOUSE-BANKING
 - *Include provider of the alarm system and service for the cashier's cage.*
- **WAC 230-40-833** CASHIER'S BANK AND MINIMUM BANKROLL – HOUSE-BANKING
- **WAC 230-40-835** ACCOUNTING CONTROLS FOR CASHIER'S CAGE
- **WAC 230-40-845** PROCEDURES FOR EXCHANGE OF CHECKS SUBMITTED BY GAMING PATRONS AT CASHIER'S CAGE
 - *Include check acceptance policy, including check cashing limits, who authorizes, guarantee service (if used), and check buy back procedures, etc.*
 - *Include NSF check policy and procedures.*
 - *Include ATM cash advance policy and procedures*
- **WAC 230-40-855** ACCEPTANCE OF TIPS FROM PATRONS FOR HOUSE-BANKED ACTIVITIES
 - *Include policy and procedures for the accountability and distribution of tips.*
- **WAC 230-40-865** DISTRIBUTING CHIPS AND COINS TO TABLES – REQUESTS AND FILLS – HOUSE-BANKING
- **WAC 230-40-870** REMOVING CHIPS AND COINS FROM TABLES – REQUESTS AND CREDITS – HOUSE-BANKING
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 - *Fill/Credit Slip (GC2-258)*
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- **WAC 230-40-865** DISTRIBUTING CHIPS AND COINS TO TABLES – REQUESTS AND FILLS – HOUSE-BANKING
- **WAC 230-40-870** REMOVING CHIPS AND COINS FROM TABLES – REQUESTS AND CREDITS – HOUSE-BANKING
- **WAC 230-40-880** COUNT ROOM REQUIREMENTS
- **WAC 230-40-885** COUNT PROCEDURES – HOUSE-BANKING
 - *Include count time*
- **WAC 230-40-890** SIGNATURES – REQUIREMENTS
- **RECORD KEEPING FORMS**
 - (Include forms in record keeping section)
 - *Fill and Credit Request Form (GC2-257)*
 - *Fill/Credit Slip (GC2-258)*
 - *Table Inventory Slip (GC2-259)*
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- **WAC 230-40-030** NUMBER OF TABLES AND PLAYERS LIMITED
- **WAC 230-40-825** CLOSED CIRCUIT TELEVISION SYSTEM – HOUSE-BANKING
 - *State how many surveillance rooms are in the establishment.*
 - *Include list with number and type of all surveillance equipment.*
 - *Include specification sheets for all cameras, video recorders and monitors.*
 - *Provide a floor plan indicating the placement of all cameras.*
 - *Provide a chart describing the view of each camera.*
- **WAC 230-40-880** COUNT ROOM REQUIREMENTS
 - *State if the silent alarm is connected directly to the surveillance rooms of the closed circuit television system or an alarmed monitoring agency. Include the name of the monitoring company.*
- **WAC 230-40-885** COUNT PROCEDURES – HOUSE-BANKING
- **WAC 230-40-800** OPERATING RULES FOR HOUSE-BANKED CARD GAMES
 - *Insert rules here for each authorized game the gaming operation will offer. The rules shall include:*
 1. *Procedures of play;*
 2. *Minimum and maximum permissible wagers;*
 3. *Shuffling, cutting, and dealing techniques, as applicable;*
 4. *Dealer take and pay procedures;*
 5. *Payout odds on each form of wager;*
 6. *Procedures to be followed on occurrence of irregularities, including explanation of irregularities as applicable to each game; and*
 7. *Prohibitions on side betting between and against player and against the house.*
- **RECORD KEEPING FORMS**

(Include forms in record keeping section)

➤ <i>Fill and Credit Request Form (GC2-257)</i>	➤ <i>Visitor Log (GC2-277)</i>
➤ <i>Fill/Credit Slip (GC2-258)</i>	➤ <i>Surveillance Log (GC2-284 & GC2-284a)</i>
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SECURITY

- **WAC 230-40-840** DROP BOXES – HOUSE-BANKING – DROP BOX COLLECTION METHOD
 - *State if the drop boxes will be stored in a trolley or cabinet.*
 - *State if drop boxes, when not in use during a shift, will be stored on the gaming tables.*
- **WAC 230-40-850** PROCEDURES FOR PURCHASING GAMING CHIPS
- **WAC 230-40-860** TABLE INVENTORIES AND PROCEDURES FOR OPENING TABLES FOR HOUSE-BANKED CARD GAMES
- **WAC 230-40-865** DISTRIBUTING CHIPS AND COINS TO TABLES – REQUESTS AND FILLS – HOUSE-BANKING
- **WAC 230-40-870** REMOVING CHIPS AND COINS FROM TABLES – REQUESTS AND CREDITS – HOUSE-BANKING
- **WAC 230-40-875** CLOSING GAMING TABLES – HOUSE-BANKING
- **WAC 230-40-880** COUNT ROOM REQUIREMENTS
- **OTHER**
 - *Include procedures for receipt, storage, and destruction of cards.*

GAMING DEPARTMENT

- **WAC 230-40-010** SOCIAL CARD GAMES – RULES OF PLAY – TYPES OF CARD GAMES AUTHORIZED
- **WAC 230-40-030** NUMBER OF TABLES AND PLAYERS LIMITED
- **WAC 230-40-120** LIMITS ON WAGERS IN CARD GAMES
- **WAC 230-40-130** WAGERS TO BE MADE WITH CHIPS ONLY
- **WAC 230-40-505** RULES OF PLAY FOR SOCIAL CARD GAMES – DISPLAY – AVAILABILITY FOR REVIEW
- **WAC 230-40-800** OPERATING RULES FOR HOUSE-BANKED CARD GAMES
 - *Attach specification sheets including pictures, diagrams or drawings of the following:*
 1. *chips;*
 2. *cards;*
 3. *all gaming equipment and layouts;*
 4. *dealing shoes;*
 5. *card peeking devices; (if applicable)*
 6. *bill changer devices; (if applicable)*
 7. *other equipment as may be required for use in otherwise authorized games.*
 - *Include procedures for the receipt and storage of dealing shoes.*
 - *Include procedures for completing IRS requirements for large prize payouts.*
 - *Insert rules here for each authorized game the gaming operation will offer. The rules shall include:*
 1. *Procedures of play;*
 2. *Minimum and maximum permissible wagers;*
 3. *Shuffling, cutting, and dealing techniques, as applicable;*
 4. *Dealer take and pay procedures;*
 5. *Payout odds on each form of wager, including any aggregate limits;*
 6. *Procedures to be followed on occurrence of irregularities, including explanation of irregularities as applicable to each game; and*
 7. *Prohibitions on side betting between and against player and against the house.*
- **WAC 230-40-810** HOUSE-BANKED CARD GAMES – ODDS BASED WAGERS – PRIZES – RESTRICTIONS – PROCEDURES
- **WAC 230-40-840** DROP BOXES – HOUSE-BANKING – DROP BOX COLLECTION METHOD
- **WAC 230-40-850** PROCEDURES FOR PURCHASING GAMING CHIPS

GAMING DEPARTMENT (Continued)

- **WAC 230-40-855** ACCEPTANCE OF TIPS FROM PATRONS FOR HOUSE-BANKED ACTIVITIES
 - *Include procedures for the acceptance of gratuities.*
- **WAC 230-40-860** TABLE INVENTORIES AND PROCEDURES FOR OPENING TABLES FOR HOUSE-BANKED CARD GAMES
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INTERNAL CONTROLS ADMINISTRATION SECTION

WAC 230-40-801 INTERRUPTION OF CARD GAMES – PREOPERATIONAL REVIEW AND EVALUATION REQUIRED – PROCEDURES – HOUSE-BANKING.

A house-banked card room applicant, or a current licensee who interrupts operations for a substantial period, shall demonstrate the ability to comply with commission requirements prior to operating house-banked card games. In order to demonstrate such capability, the commission staff shall complete a preoperational review and evaluation (PORE) of the entire operation. The following requirements and preoperating procedures apply to house-banked card rooms:

Review and evaluation process.

(1) The commission staff shall review and evaluate the information presented per WAC 230-04-207 to determine:

(a) The internal accounting and administrative controls are adequate to assure gambling activities are controlled and results of operations are accurately recorded;

(b) The physical layout of the card room and supporting functions are adequate to implement the proposed accounting and administrative controls;

(c) The applicant has adequate trained personnel and an organizational structure that will support implementation of the proposed accounting and administrative controls.

Notification of interruptions in operations.

(2) A licensee shall notify the commission in writing if the operation of house-banked card games is interrupted for more than seven days. Such notification shall:

(a) Be made within three days of the interruption;

(b) Include the reason for ceasing operations; and

(c) Include the estimated date operations are planned to recommence.

Procedures for interruptions in operations.

(3) A licensee shall comply with the following procedures prior to commencing operations:

(a) Provide the commission, in writing, with any changes in the information required by WAC 230-04-207;

(b) Request commission staff to evaluate the impact of any changes in internal controls, physical layout, or personnel structure and to complete a PORE for changes that are material;

(c) Correct any discrepancies noted by the staff's review; and

(d) Receive written approval from the director to commence operations: Provided, That the director may allow limited operations when changes require the staff to observe operations in order to evaluate the impact of changes.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-803 PHASE II WAGER LIMITS – RESTRICTIONS – PROCEDURES. A house-banked card room licensee shall not increase wager limits to Phase II levels prior to operating for a minimum of six months and demonstrating that it is capable of operating at higher wager limits and receiving commission approval. The following procedures and restrictions apply to the Phase II approval process:

Review procedures.

(1) Requests for an increase in wagering limits shall be processed in the following manner:

(a) The licensee shall submit a written request for review, including a deposit of five thousand dollars to pay for the review;

(b) Commission staff shall review the licensee's entire house-banked card game operation. Such review shall include an evaluation of:

(i) The licensee's written internal accounting and administrative controls to ensure they are not materially different from those submitted and approved and that the licensee is following such in every material aspect;

(ii) Whether the licensee is operating house-banked card games in accordance with applicable WAC rules; and

(c) A summary of commission staff's findings shall be presented to the director.

Approval process.

(2) Upon the completion of commission staff's review, the director shall either forward the licensee's request to the commission with a recommendation for approval or decline to forward it as provided in subsection (3) of this section. If the director forwards the request to the commission, the director may authorize a licensee to increase Phase II wagering limits pending commission approval at the next scheduled meeting;

(3) The director may decline to forward a licensee's request for Phase II wagering limits to the commission if:

(a) There have been substantial or repetitive administrative actions in the past six months or there is an ongoing investigation for substantial or repetitive violations; or

(b) The commission staff's review reveals the licensee has failed to follow WAC rules or its approved internal control procedures and such failures are substantial or deemed substantial due to repetition; or

(c) The licensee has failed to pay any gambling taxes due to counties, cities, or towns. For purposes of this section, gambling taxes include those taxes owed as of the most recent reporting period (month or quarter), as provided in the jurisdiction's ordinance, plus any interest and/or penalties that may be due; and

(d) Actions to correct any deficiencies have not been completed and commission staff afforded adequate time to conduct a follow-up review.

(4) If the director fails to forward a licensee's request within sixty days following completion of commission staff's review and has not commenced administrative actions, a licensee shall be afforded an opportunity to a commission review of the request. The commission may:

(a) Grant the licensee Phase II wager limit approval;

(b) Grant the licensee conditional Phase II approval; or

(c) Refer the request back to commission staff for further investigation.

Sale of a business operating under Phase II.

(5) When a house-banked card room authorized to operate at Phase II levels is sold or otherwise transferred, the director may authorize the new licensee to remain at Phase II levels if the new licensee demonstrates that the gambling operation and internal controls will remain substantially unchanged. Staff may review the operation to determine compliance at the director's request. The licensee shall be responsible for all costs of the review.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-815 ADMINISTRATIVE AND ACCOUNTING CONTROL STRUCTURE – ORGANIZATION – HOUSE-BANKING. Each licensee operating a house-banked card game shall ensure that all games are closely controlled, operated fairly and in accordance with all rules of the commission. The following control procedures and conditions shall be met:

Internal controls.

(1) The licensee shall have a system of internal controls that include at least the following:

(a) Administrative controls, which include, but are not limited to, the organization's plan, procedures, and records concerned with decision processes leading to management's authorization of transactions; and

(b) Accounting controls which include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. These controls must be designed to provide reasonable assurance that:

(i) Transactions are executed in accordance with management's general and specific authorization;

(ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, and to maintain accountability for assets;

(iii) Access to assets is permitted only in accordance with management's authorization; and

(iv) The recorded accountability for assets is compared with existing assets at least annually and appropriate action is taken within five working days with respect to any differences.

Administrative controls.

(2) The licensee's system of administrative controls shall provide for the following:

(a) Competent personnel with an understanding of prescribed procedures;

(b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties; and

(c) Each employee of a house-banked card room shall be licensed by the commission and shall be knowledgeable in all accounting and internal control practices and procedures relevant to each employee's individual function.

Separate departments and functions.

(3) The licensee shall, at a minimum, establish the following departments or functions that shall be independent from all other departments or functions:

Surveillance.

(a) A surveillance department which shall not include security functions or personnel. The head of surveillance shall be responsible for, but not limited to, the following:

(i) The clandestine surveillance of the operation and conduct of the table games;

(ii) The clandestine surveillance of the operation of the cashier's cage;

(iii) The video and audio taping of activities in the count rooms;

(iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;

(v) The video taping of unusual or suspected illegal activities;

(vi) The notification of appropriate supervisors and commission staff, within three working days, upon the detection of cheating, theft, embezzlement, or other illegal activities;

(vii) Ensuring that each dealer is evaluated to determine if all required dealer procedures and techniques set forth in the licensee's approved internal controls are followed; and

(viii) Ensuring all surveillance employees have a demonstrated knowledge of the following:

(A) Operating surveillance systems;

(B) Rules of play and procedures for the games being played; and

(C) The overall procedures relating to the duties of all employees of the house-banked card room being monitored (dealers, shift managers, floor supervisors, cage cashier's and count team members).

Security.

(b) A security department, supervised by a security department manager, is responsible for at least the following:

(i) Control of cards and dealing shoes, including storage of new and used cards and shoes, and control of the disposition and/or destruction of same when removed from service; and

(ii) Transfer of cash and chips to and from the gaming tables, cage and count room.

Gaming operations.

(c) A gaming operation department supervised by a gaming operation department manager who shall be responsible for the operation of all house-banked card games conducted by ensuring the following:

(i) Card games are operated by licensed dealers who are assigned to each gaming table;

(ii) A floor supervisor is assigned the responsibility for the overall supervision of the conduct of gaming within a pit and can supervise no more than five tables: Provided, That a single supervisor may supervise up to seven tables, if only seven tables are in operation and the layout was preapproved by commission staff;

(iii) A licensee which utilizes two separate areas of a gaming establishment shall require at least one supervisor in each area; and

(iv) A shift manager, who reports to the gaming operation department manager, is assigned to supervise floor supervisors and all gaming related activities that occur during each shift. In the absence of the gaming operation department manager, the shift manager shall have the authority of a gaming operation department manager: Provided, That in addition to the floor supervisors required in this subsection, licensees operating more than ten tables shall be required to have a shift manager on the premises.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

Accounting.

(d) An accounting department supervised by an individual who shall report directly to the chief executive officer or chief operations officer. The responsibilities of the accounting department shall include, but not be limited to, the following:

- (i) Implementing and monitoring of accounting controls;
- (ii) The preparation, control, and storage of records and data required;
- (iii) The control of unused forms inventory along with reconciliation of forms used; and
- (iv) The control and supervision of the cashier's cage.

Modifications.

(4) Any changes to the licensee's system of internal controls must be submitted to commission staff and be approved prior to implementation.

Employees shall be informed of internal controls.

(5) All licensed operators shall inform their card room employees of the internal controls related to their respective area of responsibility. Furthermore, both the operator and all card room employees shall follow these internal controls at all times.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-821 GENERAL ACCOUNTING RECORDS – HOUSE-BANKING. Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff. Such records shall include all details of activities related to the conduct of the licensed activity. The following requirements shall apply:

Revenue and expenses.

(1) Each licensee shall maintain legible, accurate and complete records of all transactions relating to the revenues and costs of the gaming operation. These records shall be maintained in a format to ensure consistency, comparability, and effective disclosure of financial information.

General accounting records.

(2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on an accrual basis, to include detailed, supporting, subsidiary records, sufficient to meet the requirements below.

Recordkeeping.

(3) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:

(a) Records of all patrons' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible";

(b) Statistical game records to reflect drop and win amounts for each table, for each game, and for at least each period for which the drop boxes are removed, which shall be at the minimum, the end of each gaming day;

(c) Records of investments in property, including, but not limited to, equipment used directly in connection with the gaming operation;

(d) Records of amounts payable by the gaming operation;

(e) Records which identify the purchase, receipt, and destruction of all cards and gaming chips used in wagering; and

(f) Records of services provided for the operation of gaming activities.

Copies.

(4) Whenever duplicate or triplicate copies are required of a form, record or document:

(a) The original, duplicate, and triplicate copies shall be color-coded;

(b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and

(c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately to the commission for investigation.

Storing documents.

(5) All forms, records, documents and stored data required to be prepared, maintained and controlled shall:

(a) Have the title of the form, record, document, or stored data (such as "fill slip," "request for fill," "credit slip," "request for credit," "reconciliation," etc.), imprinted or preprinted thereon or therein; and

(b) Be located at the licensed premises for three years: Provided, That the director or the director's designee may waive parts of this section if requested by the licensee.

Employee records.

(6) Licensees shall maintain a records system that ensures all applicable employees have met licensing requirements. The system shall be maintained on the premises and include the following:

(a) Employee names;

(b) Gambling license numbers ;

(c) Gambling license expiration dates; and

Photocopies of all current employees' licenses Record of employees who have not yet received a license.

(7) If an employee license has not yet been issued, the licensee shall maintain a copy of the following:

(a) Temporary employment authorization;

(b) Documentation that the required payment (license or transfer fee) has been made; and

(c) Proof that the employee has adhered to the ten-day waiting period, if applicable.

Notification - new license not received.

(8) The licensed card room operator shall ensure commission staff is notified if an employee license has not been received within sixty days of employment.

WAC 230-40-823 HOUSE-BANKED CARD GAMES – FINANCIAL AUDITS REQUIRED. Each licensee operating house-banked card games with gross receipts in excess of five million dollars per year shall have their financial statements examined by a licensed, independent certified public accountant (CPA) for each fiscal year to evaluate the fairness of the presentation of the statements in conformity with generally accepted accounting principles. This examination shall be conducted in accordance with generally accepted auditing standards. A copy of the report and financial statements shall be submitted to the commission no later than one hundred twenty days after conclusion of the fiscal year. The director or the director's designee may extend the date for audit completion if a request is made by the licensee.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-400 HOURS FOR CARD GAMES – PROCEDURES FOR CHANGING HOURS. The hours during which card games may be played in licensed public card rooms shall be limited as follows:

(1) Licensees shall not allow the use of their premises for card playing between the hours of 2:00 a.m. and 6:00 a.m.: Provided, That the director may allow closing hours to be adjusted beyond 2:00 a.m. as long as the following conditions are met:

(a) The director shall consult with the local law enforcement agency which has jurisdiction;

(b) The director shall consult with other state agencies involved in regulation of the business;

(c) A licensee must observe a four-hour period of closure at the end of each business day before beginning the next period of operation.

(d) The food and/or drink business being stimulated shall be open to the public for business any time card games are conducted;

(e) At all times during the hours of operation of a Class E, F or house-banked card room, a licensed card

room employee must be on duty and in the licensed card room area; and

(f) The licensee complies with any other terms and conditions imposed by the director.

(2) The director may deny the request for extended hours or revoke hours already approved if the local law enforcement agency or a state agency objects or if the director determines that the licensee has violated any provisions of chapter 9.46 RCW, any other commission rule, or any of the terms set forth in subsection (1) of this section. All objections to changing a licensee's operating hours or requests to revoke an approved operating schedule must be submitted in writing.

(3) The commission shall afford a licensee an opportunity for a brief adjudicative proceeding prior to denying or revoking the licensee's authorization for extended card room hours. The brief adjudicative proceeding shall be heard by an administrative law judge, under the provisions set forth in WAC 230-50-010(6), and RCW 34.05.482 through 34.05.494.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-030 NUMBER OF TABLES AND PLAYERS LIMITED. No licensee shall allow more than fifteen separate tables at which card games are played. No licensee shall allow more than ten players for nonhouse-banked card games and seven players and/or areas for wagering at house-banked card games to participate at any one table at any given time. Each table shall be permanently numbered and readily identifiable by the licensee's surveillance system.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

**WAC 230-04-022 C E R T I F I C A T I O N
PROCEDURE – INFORMATION REQUIRED FROM
ALL APPLICANTS.** In addition to other information required by the commission, each applicant shall provide the following information on or attached to the application:

Articles of incorporation and bylaws.

(1) Copy of corporate applicants' articles of incorporation and bylaws; or, if not a corporation, a copy of any bylaws and other documents which set out the organizational structure and purposes of the organization;

IRS tax exemption letter.

(2) A copy of a nonprofit or charitable applicant's Internal Revenue Service tax exemption letter if one has been obtained;

Lease or rental agreements.

(3) Details and copies of all lease or rental arrangements, whether oral or written, between the applicant and the owner of premises upon which the gambling activity will be conducted, if such premises are leased or rented;

Franchise agreements.

(4) Details and copies of any and all franchise agreements or other agreements, whether written or oral, if any, between the applicant and distributors or manufacturers of equipment or between the applicant and any other person where those agreements relate to gambling activities or gambling equipment;

Management agreements.

(5) Details and copies of all proposed management agreements or contracts between the

applicant and any gambling service supplier involved in providing services defined in WAC 230-02-205. All such agreements or contracts shall be reviewed by commission staff prior to the effective dates of the agreements to assure compliance with this title. No financing or management services shall be provided prior to commission approval of the contracts;

Paid employees or agents.

(6) The name, address, date of birth, and Social Security number of each paid employee or agent who will work in the activity for which the license is sought and a schedule of the proposed number of employees, job descriptions, and a proposed pay schedule;

Substantial interest holders.

(7) Sufficient personal information to ensure each substantial interest holder as defined by WAC 230-02-300 is qualified to hold a license or participate in a licensed or authorized gambling activity;

Report changes to application.

(8) If any information required on the application, changes or becomes inaccurate in any way, the commission shall be notified prior to issuance of a license. Failure to notify the commission of any changes affecting an application may constitute grounds for suspension or revocation of all licenses.

Exceptions for cities and towns.

(9) Subsections (1), (2), and (7) of this section shall not apply to applications by or on behalf of an incorporated city or town in the state of Washington.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-04-140 LICENSING OF PUBLIC CARD ROOM EMPLOYEES – PROCEDURES – EXCEPTIONS. Except as provided for in this section, no person shall act as a public card room employee in a Class E, F, or house-banked card room unless such person has received a license from the commission. Public card room operators shall not employ any unlicensed person to perform duties for which a license is required and shall take all measures to prevent an unlicensed person from doing so. The following procedures and exceptions apply to card room employee licenses:

Applicants working prior to licensure.

(1) Individuals may perform card room duties prior to receiving a card room employee license if:

(a) They have properly submitted a completed card room employee application to the commission and met all the requirements set forth in this subsection. For purposes of this section, an application shall be deemed complete when all requested data has been entered on the form, all questions are fully and truthfully answered, all attachments are included and the application is accompanied by the required fees. An application shall be deemed received when delivered to the commission's headquarters office during normal business hours or deposited in the U.S. mail properly addressed to the commission;

(b) Commission staff has performed basic criminal background procedures prior to any duties being performed. To assure adequate time for such investigation, applicants shall not be allowed to perform card room duties until at least ten days has elapsed from the date of application or notification by the commission that the card room employee may begin to work: Provided, That commission staff may waive the ten-day waiting period. Such a waiver shall only be granted if:

(i) An employer can demonstrate an urgent and unexpected need for such employee;

(ii) The failure to grant such waiver would result in business closure or weaken the control structure of the activity;

(iii) The circumstances causing the need for a waiver was beyond the control of the licensee;

(iv) Commission staff is able to complete expedited review procedures; and

(v) The fee for such waiver is paid per WAC 230-04-204; and

(c) They are not restricted by subsection (2) of this section.

Applicants not allowed to work prior to licensure.

(2) An individual shall not be allowed to work prior to receiving a card room employee license if:

(a) The commission has previously revoked a license or denied an application by that individual; or

(b) They have been convicted of, or forfeited bond upon a charge of, or pleaded guilty to certain offenses set forth in RCW 9.46.075, 9.46.158, and WAC 230-04-400; or

(c) The applicant:

(i) Has administrative or criminal charges pending;

(ii) Is awaiting results of an administrative hearing, criminal trial or appeal;

(iii) Is serving a period of probation or otherwise under court supervision; or

(iv) Is subject to an arrest warrant.

Unqualified card room employees – suspension of duties.

(3) Once the commission notifies a card room operator that an employee is not qualified to work without a license, the operator shall immediately suspend the applicant employee from all card room related duties.

Fees for applicants working prior to licensure.

(4) If an applicant elects to perform the duties of a card room employee prior to receiving a license as authorized under the provisions of this section, the commission shall retain the entire application fee regardless of the disposition of the application.

Owners not required to be licensed as a card room employee.

(5) A sole owner, partner, major officer and/or owner of a substantial interest in a corporation or member of a limited liability company licensed to operate a public card room shall not be required to be additionally licensed as a card room employee to perform duties in connection with the card room.

Employer shall sign application.

(6) The operator of a public card room or partner or officer of the entity operating the card room for which the applicant will work shall sign the application of each such card room employee acknowledging that the applicant will be working for that operator with the operator's knowledge and consent.

License shall be valid for one year.

(7) A card room employee license shall be valid for a period not to exceed one year from the date a license is issued or the date of the application if the applicant works prior to receiving a license.

Employer shall maintain copies of all licenses.

(8) A licensed operator shall maintain a photocopy of each card room employee's license, or application if a license has not been issued, on the licensed premises at all times. Such photocopy shall be available for inspection by commission staff or other law enforcement personnel upon request.

Working for an additional employer or changing employers – fees.

(9) A card room employee may work for an additional employer or change employers after all requirements of WAC 230-04-142 have been met. The required notification forms, as set forth in WAC 230-04-142, shall be maintained by the employing organization as required by subsection (8) of this section. The fee for changing employers shall be as set forth in WAC 230-04-204.

Class III employees working as a card room employee – fees.

(10) A certified Class III gaming employee may work as a card room employee after all requirements of WAC 230-04-142 have been met. The fee for a conversion shall be as set forth in WAC 230-04-204.

WAC 230-04-142 NOTIFICATION TO THE COMMISSION UPON BEGINNING, TERMINATING, OR CHANGING EMPLOYMENT – PUBLIC CARD ROOM EMPLOYEES. A licensed public card room operator shall notify the commission in writing when a card room employee has begun work in the card room or has terminated employment for any reason.

(1) The notification shall be submitted on a form provided by the commission.

(2) Each notification shall be completed on or before the card room employee's first day of work or when the employer determines the card room employee will no longer be working, as applicable, and shall reach the administrative office of the commission in Lacey, not later than 5 p.m. on the seventh business day following the employee's first day of work or last day of work, as applicable.

(3) The fee for transferring, adding, or converting from Class III shall be set forth in WAC 230-04-204 and will be paid by the card room employee at the time of license renewal.

(4) This rule shall not apply to persons operating a public card room under a Class B or Class D license only.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-890 SIGNATURES – REQUIREMENTS.

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

(1) Signatures shall:

(a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";

(b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and

(c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.

(2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.

(3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-070 LICENSEE TO FURNISH ALL CARDS, CHIPS AND OTHER SERVICES. Each public card room and Class A social card room licensee shall furnish all chips and cards in connection with all card games conducted on its premises at no additional charge to the players, except as provided in WAC 230-40-050(6).

Standards for chips and cards.

All chips and cards shall be of generally conventional size and design, and include safeguards that maximize the integrity of the card games. The following standards and procedures apply to this section:

(1) The licensee shall furnish chips and cards that meet the following requirements:

(a) **Chips.** Chips must include the house name or logo, clearly denote the chip value, be produced by a licensed manufacturer, and purchased from a licensed manufacturer or distributor: Provided, That the director may exempt Class A, B, C, and E licensees with five tables or less from this provision if chips are readily identifiable as having been furnished by that particular licensee and values of chips are clearly posted in the card room: Provided further, That Class D licensees are exempt from the provisions set forth in this subsection; and

(b) **Cards.** The deck or decks of cards must include the house name or logo, be produced by a licensed manufacturer, and be purchased from a licensed manufacturer or distributor: Provided, That Class A, B, C, D, and E licensees with five tables or less are exempt from this provision. These licensees shall comply with all other requirements related to the type of games being played.

(c) **Electronic facsimiles of cards.** Electronic card facsimiles may be approved by the director for use in house-banked card games subject to the following conditions:

(i) The system shall:

(A) Produce accurate facsimiles of one or more standard decks of playing cards;

(B) Randomly shuffle the cards prior to each round of play or shoe loading;

(C) Contain a backup system for recording and display of at least five previous rounds of play;

(D) Contain security protocols which prevent unauthorized access;

(E) Provide a means of testing of computer software;

(F) Meet any additional technical standards required by the commission;

(G) Be operated only under card room internal controls specific to each system; and

(H) Be tested by a licensed game testing laboratory for compliance with these requirements.

(ii) The system shall be operated by card room personnel and shall not be designed to allow the player to play against the device.

(iii) The costs of initial laboratory testing and any additional testing required by the commission shall be paid for by the manufacturer.

Bank services.

(2) The licensee shall sell its chips to all players desiring to buy them and redeem all chips at the value for which they were sold. The licensee shall collect the money taken in on chips sold and fees collected and shall keep these funds separate and apart from all other money received by the licensee.

Selling chips for cash or check.

(3) Chips shall be sold for cash only and a licensee shall not extend credit of any nature to a person purchasing chips: Provided, That a licensee may accept a check in accordance with WAC 230-12-053 and 230-40-845. Each receipt by a person of a quantity of chips from the licensee shall be a separate transaction for the purpose of this rule. Checks received for chips retained by the licensee after close of business shall be deposited by the licensee not later than the second day following receipt upon which the licensee's bank is open for business.

Protecting the integrity of cards and chips.

(4) The licensee shall safeguard all chips and cards to assure integrity of games and banking services. Licensees shall not allow:

(a) Playing cards that have been shaved, sanded, cut, carved, or otherwise marked in any manner which may make certain cards identifiable to players other than as allowed by the rules of the particular game.

(b) Any cards or chips which are not furnished by the licensee to be used in any card game conducted upon its premises; or

(c) Any other person to buy or sell chips for use in card games upon its premises.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

WAC 230-40-895 KEY CONTROL – HOUSE-BANKING. All activities related to the operation of house-banked card games shall be closely monitored and controlled. The following restrictions and operating procedures shall apply for control of card room keys to restrict access to areas by unauthorized card room employees.

Specifications.

(1) Each licensee shall install and maintain key control boxes that meet at least the specifications set forth below:

(a) Constructed of metal with a minimum of one keylock mechanism: Provided, That coded key boxes or combination key boxes are permitted;

(b) Be attached to a permanent structure without visibility of hardware used to attach the key box;

(c) Be tamper proof;

(d) Have keys stored therein to be easily identifiable, labeled, and displayed individually in numeric or alphabetic order; and

(e) The physical location of key control boxes may be determined by each licensee. The location shall not permit an individual to gain access to a restricted area that he/she would otherwise not be allowed to enter. If key boxes are located in areas where unauthorized individuals have access, that person may only have custody of the key and open the key box in the presence of the key custodian; or while under camera coverage.

Access.

(2) Individual key control boxes shall be maintained by at least four departments including gaming operations, accounting, security, and surveillance. Access to key control boxes shall be limited to the licensed card room employee(s) responsible for overall supervision or management of the operation for which the box is maintained. Keys shall be controlled in the following manner:

Gaming operations department.

(a) Keys included in the key control box maintained by the gaming operations department shall include:

(i) Key to each pit podium;

(ii) Key(s) to drawers and other locking cabinets located in each pit podium;

(iii) Key to remove the clear plastic cover from the container used to store gaming chips and secured to the gaming tables;

(iv) Key to the second lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables;

(v) Key to all upper tier and lower tier jackpot payout boxes included with authorized card games;

(vi) Key to all electrical control boxes used to maintain authorized card games; and

(vii) Other keys included in the licensee's internal controls and approved by commission staff.

Security department.

(b) Keys included in the key control box maintained by security shall include:

(i) Key to the lock used to secure the count room door;

(ii) Key utilized to unlock and reset the drop boxes from the gaming tables;

(iii) Key to the first lock on the enclosed storage cabinet or trolley used to store or transport all drop boxes removed from the gaming tables to the count room;

(iv) Key to the storage cabinet(s) or other secure facility used to store the card inventory including decks which have not been placed into play and decks removed from play and waiting to be destroyed;

(v) Key to main entry or access door of the card room; and

(vi) Other keys included in the licensee's internal controls and approved by commission staff.

Accounting department.

(c) Keys included in the key control box maintained by the accounting department shall include:

(i) Key to the lock securing the contents of the drop boxes;

(ii) Key to the rear of the locked dispenser used to store the triplicate of the fill/credit slips in a continuous, unbroken form;

(iii) Key to the door to the cashier's cage;

(iv) Key to reset the lock to the drop boxes;

(v) Keys included in the licensee's internal controls and approved by commission staff;

(vi) Keys maintained by the cashier's cage including:

(A) Key(s) to each cashier's window drawer;

(B) Key to the chip drawer or fill bank;

(C) Key to the vault or safe;

(D) Key to the door to the cashier's cage;

(E) Key to the front of the locked dispenser used to store the triplicate of the fill/credit slips in continuous, unbroken form;

(F) Other keys included in the licensee's internal controls and approved by commission staff; and

(G) Key(s) to the dealer tip boxes.

Surveillance department.

(d) Keys included in the key control box maintained by surveillance shall include:

(i) Key to the room used for clandestine surveillance; and

(ii) Key to the storage cabinet(s) or locker(s) used to maintain tapes of evidentiary value or tapes documenting details of jackpot payouts.

Owner/CEO master key box.

(e) A master key control box may be maintained with access strictly limited to the owner(s) or chief operating officer responsible for exercising the overall management or authority over all the operations of the card room and may include:

(i) All spare or extra keys for the areas noted above.

(ii) Other keys included in the licensee's internal controls and approved by commission staff.

INTERNAL CONTROLS – ADMINISTRATION SECTION (Continued)

Control log.

(3) Each licensee shall maintain for each key control box, a key control log used to record the issuance of and return of all keys used to control the restricted access areas by card room employees identified. The key control log shall be maintained in the format prescribed by the commission.

Keys to key control box.

(4) Keys to secure the contents of each key control box required above shall be strictly controlled as follows.

(a) There shall be one key for each key control box which shall be controlled by the manager of the department for which the key control box is designated. This key shall be distributed to the manager or supervisor in charge and maintained in their possession when gaming is being conducted.

(b) Keys to each key control box will be maintained in a secure manner as approved by commission staff and documented in the licensee's written internal controls.

(c) All spare or duplicate keys to the key control boxes identified above will be maintained in the master key control box and be controlled by the owner(s).

Electronic key control systems.

(5) Licensees may utilize electronic key control systems, if reviewed and approved in writing by the director or the director's designee.

Extra key control box - emergencies only.

(6) For emergency situations, licensees may maintain an additional key control box which can be accessed on a limited basis to protect the safety of employees. The key control boxes which meet this requirement shall be preapproved by commission staff.

INTERNAL CONTROLS

ACCOUNTING SECTION

WAC 230-40-052 DAILY RECORDS – CARD GAMES. In addition to any other requirements set forth in these rules, persons licensed to operate card rooms at which a fee is charged to play or which operates a player-supported jackpot (PSJ) or house-banked card games shall be required to prepare a detailed record covering each day of operation. Each separate record shall be maintained continuously during hours of operation and entries made as required by this section.

Format.

(1) The format for such records shall be as prescribed by the commission. The records shall include information to be placed in a form, record, document, or in stored data which shall be annotated in ink or other permanent form. Data maintained in computer data bases must be printed on a periodic basis. Daily card room records shall be maintained as follows:

Minimum daily records.

(2) Separate records shall be prepared for each day social card games are played and fees collected or house-banked card games are operated. Such records shall be completed for each table and each PSJ for which fees are collected from players. The minimum daily records shall include the following information:

- (a) The date and time period during which fees were collected or house-banked card games were operated.
- (b) The assessment method and the fee charged per assessment method for each table.
- (c) The names and time of play for each nonpaying house player (which may only include licensed card room employees and the licensed card room operator);
- (d) The amount of fees collected at each table at each collection interval;
- (e) The gross amount received from fees collected on each operating day by table and by assessment method.
- (f) The number of players at the time of fee collection when fees are assessed based on a period of time;

(g) A record of card room employees and hours worked; and

(h) The total drop which includes all cash placed in drop boxes and the net win or loss by the table and game type from house-banked card games.

Tournament fees.

(3) Fees for tournaments shall be recorded as set forth in WAC 230-40-055.

Player-supported jackpots.

(4) PSJ records shall include the following information in addition to the information required by subsection (1) of this section:

(a) A separate entry for each type of PSJ for which fees were collected to include:

- (i) Table number;
 - (ii) Prize fund number; and
 - (iii) Assessment rate.
- (b) PSJ fund accrual record.

Daily summary.

(5) A daily summary record that includes a reconciliation of all fees collected during an operating day shall be prepared for each day card games are operated and fees collected. This record shall include at least the following:

- (a) The name of the licensed card room;
- (b) The date of the activity. If the activity spans two days, the day that the activity begins shall be recorded;
- (c) Card room hours of operation;
- (d) The beginning and ending balances of all chips and cash in the cage;
- (e) The printed name and signature of person(s) preparing the record; and
- (f) Such other daily records as required for specific card room activities.

Availability and length of storage.

(6) All detailed records prepared shall be maintained for a period of not less than three years. At least the past six months of records must be available for inspection on premises. All other records shall be available within forty-eight hours upon request by commission staff, local law enforcement or taxing authorities.

INTERNAL CONTROLS – ACCOUNTING SECTION (Continued)

WAC 230-40-821 GENERAL ACCOUNTING RECORDS – HOUSE-BANKING. Every licensee authorized to offer house-banked card games shall keep and maintain a complete set of records, which have been approved by commission staff. Such records shall include all details of activities related to the conduct of the licensed activity. The following requirements shall apply:

Revenue and expenses.

(1) Each licensee shall maintain legible, accurate and complete records of all transactions relating to the revenues and costs of the gaming operation. These records shall be maintained in a format to ensure consistency, comparability, and effective disclosure of financial information.

General accounting records.

(2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on an accrual basis, to include detailed, supporting, subsidiary records, sufficient to meet the requirements below.

Recordkeeping.

(3) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:

(a) Records of all patrons' checks initially accepted, deposited, and returned as "uncollected," and ultimately written off as "uncollectible";

(b) Statistical game records to reflect drop and win amounts for each table, for each game, and for at least each period for which the drop boxes are removed, which shall be at the minimum, the end of each gaming day;

(c) Records of investments in property, including, but not limited to, equipment used directly in connection with the gaming operation;

(d) Records of amounts payable by the gaming operation;

(e) Records which identify the purchase, receipt, and destruction of all cards and gaming chips used in wagering; and

(f) Records of services provided for the operation of gaming activities.

Copies.

(4) Whenever duplicate or triplicate copies are required of a form, record or document:

(a) The original, duplicate, and triplicate copies shall be color-coded;

(b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and

(c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately to the commission for investigation.

Storing documents.

(5) All forms, records, documents and stored data required to be prepared, maintained and controlled shall:

(a) Have the title of the form, record, document, or stored data (such as "fill slip," "request for fill," "credit slip," "request for credit," "reconciliation," etc.), imprinted or preprinted thereon or therein; and

(b) Be located at the licensed premises for three years: Provided, That the director or the director's designee may waive parts of this section if requested by the licensee.

Employee records.

(6) Licensees shall maintain a records system that ensures all applicable employees have met licensing requirements. The system shall be maintained on the premises and include the following:

(a) Employee names;

(b) Gambling license numbers ;

(c) Gambling license expiration dates; and

Photocopies of all current employees' licenses Record of employees who have not yet received a license.

(7) If an employee license has not yet been issued, the licensee shall maintain a copy of the following:

(a) Temporary employment authorization;

(b) Documentation that the required payment (license or transfer fee) has been made; and

(c) Proof that the employee has adhered to the ten-day waiting period, if applicable.

Notification - new license not received.

(8) The licensed card room operator shall ensure commission staff is notified if an employee license has not been received within sixty days of employment.

INTERNAL CONTROLS – ACCOUNTING SECTION (Continued)

WAC 230-40-808 DEPOSIT REQUIREMENTS FOR PRIZES – HOUSE-BANKING. Each organization licensed to conduct house-banked card games shall ensure sufficient funds are available to pay prizes offered. Funds shall be controlled as follows:

Bank account.

(1) Each licensee shall maintain a bank account for holding jackpot prizes accrued at house-banked card games. The account shall be separate from all other accounts of the entity and be maintained in a recognized Washington state depository for purposes of depositing prize funds.

Deposit requirements.

(2) Amounts accrued for any house-banked game which offers a progressive jackpot shall be deposited into the jackpot prize account at least weekly for all disclosed and reserve jackpot funds.

(3) In addition to any progressive jackpot prize funds required to be maintained in the bank account, licensees shall also deposit and maintain in the account an amount equal to the total of all individual prizes offered which exceed twenty-five thousand dollars. For games in which the prize is based on the amount wagered, the highest wager allowed by the licensee shall be used in computing the individual prize

amount for purposes of determining the deposit requirement.

Failure to maintain sufficient bank funds.

(4) No game shall be offered for play until the above conditions have been met. At anytime that the prize account is reduced below the level required, the licensee shall immediately cease operating games until they are in compliance. At no time shall the account go below the total amount of progressive jackpots and individual prizes offered over twenty-five thousand dollars. Failure to maintain funds as required in this rule shall be prima facie evidence of defrauding the public in violation of RCW 9.46.190.

Recording deposits.

(5) A record of all deposits shall specifically identify by game name and number, and dates of collection for progressive prizes. The validated deposit slip shall be kept as part of the records required by WAC 230-40-052.

Monthly reconciliation.

(6) At the end of each month, the account balance per the bank statement shall be reconciled to the jackpot prize balances. The reconciliation shall be kept as part of the records required by WAC 230-40-052.

INTERNAL CONTROLS – ACCOUNTING SECTION (Continued)

WAC 230-40-855 ACCEPTANCE OF TIPS FROM PATRONS FOR HOUSE-BANKED ACTIVITIES.

Licensees may allow selected employees to accept tips from patrons. If allowed, tips shall be controlled in a manner to ensure they are only received by authorized persons, properly accounted for, and maintained separate from all other gaming funds. The following restrictions and procedures apply:

(1) No employee directly concerned with management, supervision, accounting, security, or surveillance shall solicit, accept or otherwise share any tip originating from any player or patron: Provided, That cage cashiers shall be allowed to accept tips.

(2) Each licensee shall establish procedures necessary to ensure that the acceptance of tips by dealers is observed by the floor supervisor and surveillance. Procedures shall include an overt display

of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Tips to the cashier shall be deposited directly into the tip container by the patron. Cashier tip containers shall be located outside the cage enclosure.

(4) Tips received shall be retained by employees or pooled among employees in such manner as determined by the licensee.

(5) Licensees shall establish and implement procedures for the proper accounting of tips received by authorized card room employees. The procedures shall be fully documented in the licensee's internal controls and shall describe in detail any methods used to allocate tips. Accounting and recording of tip income shall be in sufficient detail to meet federal income tax requirements.

INTERNAL CONTROLS – ACCOUNTING SECTION (Continued)

WAC 230-40-860 TABLE INVENTORIES AND PROCEDURES FOR OPENING TABLES FOR HOUSE-BANKED CARD GAMES. Procedures shall be established to ensure proper accountability of gaming chips and coins stored at gaming tables and for beginning play at such tables. The following restrictions and procedures apply:

(1) Whenever a gaming table is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "table inventory" and the licensee shall not cause or permit gaming chips or coins to be added to or removed from such table inventory during the gaming day except:

- (a) In exchange for cash from patrons;
- (b) In payment of winning wagers and collection of losing wagers made at such gaming table;
- (c) In exchange for gaming chips received from a patron having an equal aggregate face value; and
- (d) In conformity with procedures set forth in WAC 230-40-865 and 230-40-870.

(2) Each table inventory and the table inventory slip prepared in conformity with the procedures set forth in WAC 230-40-875 shall be stored during nongaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. The information on the table inventory slip shall be visible from the outside of the container. All containers shall be stored in the cashier's cage during nongaming hours: Provided, That containers may be secured at the gaming table if under taped surveillance.

(3) The keys to table inventory containers shall be maintained and controlled by the gaming operation department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such table inventories to or from the gaming tables.

(4) Licensees shall abide by the following procedures when opening gaming tables for play:

(a) The locked container securing the table inventory and the table inventory slip shall be unlocked by the gaming operation supervisor assigned to such table;

(b) A dealer assigned to the gaming table shall prove the contents of the container in the presence of the gaming operation supervisor assigned to such table and shall compare the count to the "opener," as defined in WAC 230-40-875, removed from the container. The procedures used to prove the chip and coin inventory shall be set forth in the licensee's internal controls;

(c) Signatures attesting to the accuracy of the information on the opener shall be placed on such "opener" by the dealer assigned to the table and the gaming operation supervisor that observed the dealer count the contents of the container;

(d) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the "opener," shall be immediately reported to the gaming operation manager, assistant gaming operation manager, or gaming operation shift manager in charge at such time. The manager in charge shall complete the notification of error slip, which will be verified by security and transported to accounting or the cashier's cage. Accounting will maintain a copy in the log containing the notification of error slips. The licensee shall notify commission staff within twenty-four hours of errors of two hundred dollars or more or if there is a pattern relating to regular shortages;

(e) After the count of the contents of the container and the signing of the "opener," such slip shall be immediately deposited in the drop box attached to the gaming table by the dealer.

INTERNAL CONTROLS – ACCOUNTING SECTION (Continued)

WAC 230-40-890 SIGNATURES – REQUIREMENTS.

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

(1) Signatures shall:

(a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";

(b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and

(c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.

(2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.

(3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

INTERNAL CONTROLS

CASHIER'S CAGE SECTION

WAC 230-40-830 CASHIER'S CAGE – REQUIREMENTS – HOUSE-BANKING. All cash, cash equivalents, and chips related to the operation of card games shall be closely controlled and records maintained documenting receipts and disbursements. Licensees shall maintain a cashier's function whose responsibility shall be to secure and account for all chips and monies in the card room portion of the premises. At a minimum, the following restrictions and procedures apply:

Location.

(1) There shall be on or immediately adjacent to the gaming floor a physical structure known as the cashier's cage (cage) to house the cashiers and to serve as the central location for, at a minimum, the following:

(a) The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;

(b) The approval of patron checks for the purpose of gaming;

(c) The receipt and distribution of gaming chips from the gaming table and the redemption of gaming chips from patrons. The purchase of gaming chips by patrons shall only occur at the gaming table: Provided, That licensees operating both house-banked and nonhouse-banked games may sell chips for use in poker games through an imprest window bank located within the cashier's cage, or another location approved by commission staff; and

(d) Such other functions normally associated with the operation of a cage.

Design and structure.

(2) The cage shall be designed, constructed and operated to provide maximum security and

accountability for funds including, at a minimum, the following:

(a) An enclosed structure except for openings through which items such as gaming chips, checks, cash, records, and documents can be passed to service the public and gaming tables;

(b) Manually triggered silent alarm systems connected directly to the surveillance rooms of the closed circuit television system or an alarm monitoring agency;

(c) Access shall be through a locked door, which shall have closed circuit television coverage which is monitored by the surveillance department.

Entry into the cage.

(3) Entry to the cage shall be limited to authorized personnel. The gaming operation department shall place on file with the accounting department the names of all persons authorized to enter the cage, those who possess the combination or the keys or who control the mechanism to open the locks securing the entrance to the cage, and those who possess the ability to operate the alarm systems.

Entry/exit log.

(4) A log shall be maintained documenting all persons entering the cashier's cage. The log must contain the person's name, title, time entering and exiting, and date of entry.

Cage not required.

(5) Licensees not offering house-banked card games shall not be required to meet the above requirements: Provided, That licensees shall maintain a system for securing and properly accounting for all gaming chips and moneys.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-833 CASHIER'S BANK AND MINIMUM BANKROLL – HOUSE-BANKING. All card room licensees with house-banked card games or player-supported jackpots shall maintain sufficient funds to meet all cash out and prize payout requirements.

(1) All assets for which the cashiers are responsible shall be maintained on an imprest basis. This requires funds to be replenished on a regular basis by exactly the amount of expenditures from the cage less the amount of funds added. Expenditures shall be reviewed by a supervisor of the accounting department before replenishment: Provided, That licensees demonstrating the ability to control cage activity can request commission staff approval to operate on a float basis as an alternative procedure.

(2) The licensee shall have sufficient cash on hand to redeem all chips and payout all prizes: Provided, That payments of prizes may be paid by check as long as sufficient funds are available on deposit in accordance with WAC 230-40-608 and 230-40-808.

(3) Failure to maintain funds to cash in chips, pay prizes, or redeem gaming related checks shall be prima facie evidence of fraud.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-835 ACCOUNTING CONTROLS FOR CASHIER'S CAGE. Licensees required to maintain a cashier's cage shall adhere to the following controls to ensure proper accountability for funds. The following restrictions and procedures apply to cashiers and the cage:

(1) Cashiers shall be responsible for at least the following functions:

(a) Receive cash, checks, and gaming chips from patrons for check consolidations, total or partial redemptions or substitutions;

(b) Receive gaming chips from patrons in exchange for cash;

(c) Receive traveler's checks and other cash equivalents (including money orders, certified checks, and cashier's checks) from patrons in exchange for currency or coin;

(d) Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage;

(e) Receive from security department personnel, chips and coins removed from gaming tables in exchange for the issuance of a credit;

(f) Receive from security department members, requests for fills in exchange for the issuance of a fill slip and the disbursal of gaming chips;

(g) Receive cash or chips from the count room;

(h) At the end of each shift, the cashiers assigned to the outgoing shift shall count each cage inventory item and record on a cashier's count sheet the face value of each inventory item and the total of the opening and closing inventories. The total closing inventory shall be reconciled with the total opening inventory;

(i) Prepare the overall cage reconciliation and accounting records; and

(j) Perform such other functions as necessary to ensure proper accountability of funds and chips consistent with these standards.

(2) Signatures attesting to accuracy shall, at a minimum, be contained on the following:

(a) Cashier's count sheet; and

(b) Cage inventory countsheet, which includes the signatures of the cashiers assigned to the incoming and outgoing shifts.

(3) At the conclusion of the daily gaming activity, copies of the cashier's count sheet, cage inventory count sheet and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories, and agreement of amounts thereon to other forms, records and documentation for recording of transactions.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-845 PROCEDURES FOR EXCHANGE OF CHECKS SUBMITTED BY GAMING PATRONS AT CASHIER'S CAGE. In addition to the requirements set forth in WAC 230-12-053, checks submitted to the cashier's cage are subject to the following restrictions and procedures:

(1) All checks sought to be exchanged at the cashiers' cage shall be presented directly to the cashier who shall:

(a) Restrictively endorse the check "for deposit only" to the licensee's bank account;

(b) Initial the check;

(c) Date and time stamp the check;

(d) Verify that the patron is not listed on the returned check log;

(e) Immediately exchange the check for currency and coin in an amount equal to the amount for which the check is drawn less any applicable fees; and

(f) Forward all patron checks to the main bank cashier.

(2) Prior to acceptance of a traveler's check from a patron, the cashier shall:

(a) Require the patron to countersign the traveler's check in his or her presence;

(b) Compare the countersignature with the original signature on the traveler's check;

(c) Examine the traveler's check for any other signs of tampering, forgery or alteration; and

(d) Perform any other procedures that the issuer of the traveler's check requires in order to indemnify the acceptor against loss.

(3) Prior to the acceptance of any check from a patron, the cashier shall examine that patron's identification to confirm the patron's identity.

(4) All checks received shall be deposited in the licensee's bank account within two banking days after receipt: Provided, That checks deposited within two days to an armored car service shall meet this requirement.

(5) All checks dishonored by a bank (returned checks) shall be returned directly to, and controlled by, accounting department employees: Provided, That if a collection agency is used which maintains dishonored checks, a photocopy of the check shall be sufficient.

(6) Records of all returned checks shall be maintained by accounting department employees and shall be available to cashiers. Such records shall include, at a minimum, the following:

(a) The date of the check;

(b) The name of the drawer of the check;

(c) The amount of the check;

(d) The date(s) the check was dishonored; and

(e) The date(s) and amount(s) of any collections received on the check after being returned by a bank.

(7) If a check is dishonored, the name of the person who submitted the check shall be kept in a log and available to the cashier. Such person shall be prohibited from submitting additional checks until the amount owed is paid in full: Provided, That a check dishonored by a bank may be immediately redeposited if there is sufficient reason to believe the check will be honored the second time.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-855 ACCEPTANCE OF TIPS FROM PATRONS FOR HOUSE-BANKED ACTIVITIES.

Licensees may allow selected employees to accept tips from patrons. If allowed, tips shall be controlled in a manner to ensure they are only received by authorized persons, properly accounted for, and maintained separate from all other gaming funds. The following restrictions and procedures apply:

(1) No employee directly concerned with management, supervision, accounting, security, or surveillance shall solicit, accept or otherwise share any tip originating from any player or patron: Provided, That cage cashiers shall be allowed to accept tips.

(2) Each licensee shall establish procedures necessary to ensure that the acceptance of tips by dealers is observed by the floor supervisor and surveillance. Procedures shall include an overt display

of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Tips to the cashier shall be deposited directly into the tip container by the patron. Cashier tip containers shall be located outside the cage enclosure.

(4) Tips received shall be retained by employees or pooled among employees in such manner as determined by the licensee.

(5) Licensees shall establish and implement procedures for the proper accounting of tips received by authorized card room employees. The procedures shall be fully documented in the licensee's internal controls and shall describe in detail any methods used to allocate tips. Accounting and recording of tip income shall be in sufficient detail to meet federal income tax requirements.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-865 DISTRIBUTING CHIPS AND COINS TO TABLES – REQUESTS AND FILLS – HOUSE-BANKING. Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

Fill slip.

(1) Each "fill slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

(a) Each series of fill slips received by a licensee shall be controlled and accounted for separately;

(b) Request for fills shall be secured in such a manner that only a gaming operations supervisor has access;

(c) Fill slips shall be secured by the cashier's cage;

(d) These forms shall be used in sequential order and all forms accounted for; and

(e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for fill.

(2) A "request for fill" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a "fill slip" for the distribution of chips and coins to gaming tables. The original and duplicate of the request for fill shall include the following entries:

(a) The date, time, and shift of preparation;

(b) The denomination of gaming chips or coins to be distributed to the gaming tables;

(c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming tables;

(d) The game and table number to which the gaming chips or coins are to be distributed;

(e) The signature of the gaming operation supervisor; and

(f) The signature of the security department employee that distributed the chips and coins.

Transporting requests.

(3) After preparation of the request for fill, the original of such request shall be transported directly to the cashier's cage by security.

Duplicate copies of the request.

(4) The duplicate copy of the request for fill shall be placed by the dealer or floor supervisor in public view on the gaming table to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request for fill and fill slip are deposited in the drop box.

Fill slip procedures.

(5) A fill slip shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming tables from the cashier's cage. The following procedures and requirements shall be observed with regard to fill slips:

(a) Each series of fill slips shall be in triplicate form to be kept in a locked dispenser that will permit an individual fill slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy of the form shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of fill slips, placing fill slips in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on fill slip.

(6) On the original, duplicate, and triplicate copies of the fill slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins being distributed;

(b) The total amount of each denomination of gaming chips or coins being distributed;

(c) The total amount of all denominations of gaming chips or coins being distributed;

(d) The game and table number to which the gaming chips or coins are being distributed;

(e) The date and shift during which the distribution of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the fill slip shall be recorded, at a minimum, on the original and the duplicate.

Employee verification.

(8) All gaming chips or coins distributed to the gaming tables from the cashier's cage shall be transported directly by a security department employee. This employee shall verify the request for fill to the amount of the fill slip and sign the original of the request for fill, which is maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill slip for signature.

Signatures required on fill slips.

(9) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fill slips shall, at a minimum, be those of the following personnel at the following times:

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

- (a) The cashier upon preparation;
- (b) The security department employee transporting the gaming chips or coins to the gaming table upon receipt from the cashier of gaming chips or coins;
- (c) The dealer assigned to the gaming table upon receipt; and
- (d) The gaming operation supervisor assigned to the gaming table upon receipt of the gaming chips or coins at such table.

Transporting chips and coins.

(10) Upon meeting the signature requirements, the security department employee that transported the gaming chips or coins and the original and duplicate copies of the fill slip to the table, shall observe the following:

- (a) The dealer shall immediately place the duplicate fill slip and duplicate request for fill in the drop box attached to the gaming table to which the gaming chips or coins were transported; and
- (b) The security department employee shall then return the original fill slip to the cashier's cage where the original fill slip and request for fill shall be

maintained together and controlled by cage employees.

VOID procedures.

(11) The original and duplicate "VOID" fill slips, the original request for fill, and the original fill slip shall be forwarded as follows:

- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate copy of the fill slip and duplicate copy of the request for fill removed from the drop box after which the original and duplicate copy of the request for fill and the original and duplicate copy of the fill slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

- (b) The accounting department for agreement, on a daily basis, with the duplicate fill slip and duplicate copy of the request for fill removed from the drop box and the triplicate.

Transferring chips.

(12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-870 REMOVING CHIPS AND COINS FROM TABLES – REQUESTS AND CREDITS – HOUSE-BANKING. All transfers of gaming chips and coins shall be closely controlled and documented in a manner that ensures accountability. Gaming chips and coins shall only be removed from gaming tables with adequate security. The following restrictions and procedures apply:

Credit slip.

(1) Each "credit slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of credit slips received by a licensee shall be controlled and accounted for separately;
- (b) Request for credits shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Credit slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for credit.

(2) A "request for credit" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a credit slip for the removal of gaming chips and coins to the cashier's cage. The original and duplicate of the request for credit shall include the following entries:

- (a) The date, time and shift of preparation;
- (b) The denomination of gaming chips or coins to be removed from the gaming table;
- (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming table;
- (d) The game and table number from which the gaming chips or coins are to be removed; and
- (e) The signature of the gaming operation supervisor and dealer assigned to the gaming table from which gaming chips or coins are to be removed.

Employee verification.

(3) Immediately upon preparation of a request for credit and transfer of gaming chips or coins to a security department employee, a gaming operation supervisor shall obtain on the duplicate copy of the request for credit the signature of the security department member to whom the gaming chips and coins were transferred. The dealer shall place the duplicate copy in public view on the gaming table from

which the gaming chips or coins were removed. Such request for credit shall not be removed until a credit slip is received from the cashier's cage at which time the request for credit and credit slip are deposited in the drop box.

Transporting requests.

(4) The original of the request for credit and the gaming chips or coins removed from the gaming table shall be transported directly to the cashier's cage by the security department employee.

Credit slip procedures.

(5) A credit slip shall be prepared by the cashier whenever gaming chips or coins are removed from the gaming tables to the cashier's cage. The following procedures and requirements shall be observed with regard to credit slips:

(a) Each series of credit slips shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of credit slips, placing credit slips in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on credit slip.

(6) On the original, duplicate and triplicate copies of a credit slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins removed from the gaming table to the cashier's cage;

(b) The total amount of each denomination of gaming chips or coins removed from the gaming table to the cashier's cage;

(c) The total amount of all denominations of gaming chips or coins removed from the gaming table to the cashier's cage;

(d) The game and table number from which the gaming chips or coins were removed;

(e) The date and shift during which the removal of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the credit slip shall be recorded, at a minimum, on the original and duplicate copy.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

Signatures required on credit slips.

(8) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit slip shall be, at a minimum, the following personnel at the following times:

(a) The cage cashier upon preparation;

(b) The security department employee transporting the gaming chips or coins to the cashier's cage upon presentation to the cashier;

(c) The dealer assigned to the gaming table upon receipt at such table from the security department employee; and

(d) The gaming operation supervisor assigned to the gaming table upon receipt at such table.

Transporting chips and coins.

(9) Upon meeting the signature requirements, the security department employee transporting the original and duplicate copies of the credit slip to the gaming table, shall observe the following:

(a) The dealer shall immediately place the duplicate copies of the credit slip and request for credit

in the drop box attached to the gaming table from which the gaming chips or coins are removed; and

(b) The security department employee shall expeditiously return the original credit slip to the cashier's cage where the original of the credit slip and request for credit shall be maintained together and controlled by cage employees.

VOID procedures.

(10) The original and duplicate copies of "VOID" credit slips, and the original request for credit and credit slip shall be forwarded to:

(a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate credit slip and the duplicate request for credit removed from the drop box, after which the request for credit and the original and duplicate credit slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit slip and request for credit removed from the drop box and the triplicate.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-885 COUNT PROCEDURES – HOUSE-BANKING. Card rooms that offer house-banked card games shall ensure the contents of drop boxes are counted and recorded in a manner that ensures the proper accountability of all gaming chips, coins, and currency. The following restrictions and procedures apply:

Notification of count.

(1) The security department shall notify the surveillance department whenever the contents of drop boxes removed from gaming tables are to be counted and recorded, which, at a minimum, shall be once each gaming day.

Count team members.

(2) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of and by those employees assigned by the gaming operation department for the conduct of the count. The count team must consist of three employees who shall not be in a position to perpetrate or conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

Securing the count room.

(3) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

Video and audio recording of the count.

(4) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television surveillance room in the establishment that the count is about to begin, after which such person shall make a video and audio recording of the entire counting process.

Count procedures.

(5) Contents of drop boxes shall not be mixed prior to counting and recording of each drop box. Procedures and requirements for conducting the count shall be the following:

(a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the game, table number, and shift marked thereon;

(b) The contents of each drop box shall be emptied and counted separately on the count table;

(c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member to confirm that all contents of the drop box have been removed, after which the

drop box shall be locked and placed in the storage area for drop boxes;

(d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;

(e) Each denomination of coin and currency shall be counted separately, either manually or mechanically, by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;

(f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, table number, and shift, the following information:

(i) The total amount of currency and coin counted, also known as the "drop";

(ii) The amount of the opener;

(iii) The amount of the closer;

(iv) The serial number and amount of each fill slip;

(v) The total amount of the fill;

(vi) The serial number and amount of each credit slip;

(vii) The total amount of all credit slips; and

(viii) The game win or loss.

(g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, table inventory slips, fill slips and credit slips counted, and win or loss, together with such additional information as may be required on the master game report by the licensee;

(h) Notwithstanding the requirements of (f) and (g) of this subsection, if the licensee's system of accounting and internal controls provides for the recording on the master game report of fill slips, credit slips, and table inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare the serial numbers and totals of the amounts recorded thereon to the fill slips, credit slips, and table inventory slips removed from the drop boxes: Provided, That the accounting department may complete the win/loss portions independently from the count team, if properly documented in the approved internal controls; and

(i) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon.

Concluding the count.

(6) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:

(a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

game report and in the presence of the count team, shall recount, either manually or mechanically, the cash received;

(b) The top copy of the master game report, after signing, and the request for fills, the fill slips, the request for credits, the credit slips, and the table inventory slips removed from drop boxes, shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel; and

(c) If the licensee's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fill slips, credit slips, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.

Accounting.

(7) The originals and copies of the master game report, request for fills, fill slips, request for credits, credit slips and table inventory slips shall on a daily basis, in the accounting department be:

(a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;

(b) Reviewed for the appropriate number and propriety of signatures on a test basis;

(c) Accounted for by series numbers, if applicable;

(d) Tested for proper calculation, summarization, and recording;

(e) Subsequently recorded; and

(f) Maintained and controlled by the accounting department.

INTERNAL CONTROLS - CASHIER'S CAGE SECTION (Continued)

WAC 230-40-890 SIGNATURES – REQUIREMENTS.

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

(1) Signatures shall:

(a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";

(b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and

(c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.

(2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.

(3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

INTERNAL CONTROLS

COUNT TEAM SECTION

WAC 230-40-865 DISTRIBUTING CHIPS AND COINS TO TABLES – REQUESTS AND FILLS – HOUSE-BANKING. Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

Fill slip.

(1) Each "fill slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

(a) Each series of fill slips received by a licensee shall be controlled and accounted for separately;

(b) Request for fills shall be secured in such a manner that only a gaming operations supervisor has access;

(c) Fill slips shall be secured by the cashier's cage;

(d) These forms shall be used in sequential order and all forms accounted for; and

(e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for fill.

(2) A "request for fill" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a "fill slip" for the distribution of chips and coins to gaming tables. The original and duplicate of the request for fill shall include the following entries:

(a) The date, time, and shift of preparation;

(b) The denomination of gaming chips or coins to be distributed to the gaming tables;

(c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming tables;

(d) The game and table number to which the gaming chips or coins are to be distributed;

(e) The signature of the gaming operation supervisor; and

(f) The signature of the security department employee that distributed the chips and coins.

Transporting requests.

(3) After preparation of the request for fill, the original of such request shall be transported directly to the cashier's cage by security.

Duplicate copies of the request.

(4) The duplicate copy of the request for fill shall be placed by the dealer or floor supervisor in public view on the gaming table to which the gaming chips or

coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request for fill and fill slip are deposited in the drop box.

Fill slip procedures.

(5) A fill slip shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming tables from the cashier's cage. The following procedures and requirements shall be observed with regard to fill slips:

(a) Each series of fill slips shall be in triplicate form to be kept in a locked dispenser that will permit an individual fill slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy of the form shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of fill slips, placing fill slips in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on fill slip.

(6) On the original, duplicate, and triplicate copies of the fill slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins being distributed;

(b) The total amount of each denomination of gaming chips or coins being distributed;

(c) The total amount of all denominations of gaming chips or coins being distributed;

(d) The game and table number to which the gaming chips or coins are being distributed;

(e) The date and shift during which the distribution of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the fill slip shall be recorded, at a minimum, on the original and the duplicate.

Employee verification.

(8) All gaming chips or coins distributed to the gaming tables from the cashier's cage shall be transported directly by a security department employee. This employee shall verify the request for fill to the amount of the fill slip and sign the original of the request for fill, which is maintained at the cashier's cage, before transporting the gaming chips or coins

INTERNAL CONTROLS – COUNT TEAM SECTION (Continued)

and the original and duplicate of the fill slip for signature.

Signatures required on fill slips.

(9) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fill slips shall, at a minimum, be those of the following personnel at the following times:

- (a) The cashier upon preparation;
- (b) The security department employee transporting the gaming chips or coins to the gaming table upon receipt from the cashier of gaming chips or coins;
- (c) The dealer assigned to the gaming table upon receipt; and
- (d) The gaming operation supervisor assigned to the gaming table upon receipt of the gaming chips or coins at such table.

Transporting chips and coins.

(10) Upon meeting the signature requirements, the security department employee that transported the gaming chips or coins and the original and duplicate copies of the fill slip to the table, shall observe the following:

- (a) The dealer shall immediately place the duplicate fill slip and duplicate request for fill in the drop box attached to the gaming table to which the gaming chips or coins were transported; and

(b) The security department employee shall then return the original fill slip to the cashier's cage where the original fill slip and request for fill shall be maintained together and controlled by cage employees.

VOID procedures.

(11) The original and duplicate "VOID" fill slips, the original request for fill, and the original fill slip shall be forwarded as follows:

- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate copy of the fill slip and duplicate copy of the request for fill removed from the drop box after which the original and duplicate copy of the request for fill and the original and duplicate copy of the fill slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate fill slip and duplicate copy of the request for fill removed from the drop box and the triplicate.

Transferring chips.

(12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

INTERNAL CONTROLS – COUNT TEAM SECTION (Continued)

WAC 230-40-870 REMOVING CHIPS AND COINS FROM TABLES – REQUESTS AND CREDITS – HOUSE-BANKING. All transfers of gaming chips and coins shall be closely controlled and documented in a manner that ensures accountability. Gaming chips and coins shall only be removed from gaming tables with adequate security. The following restrictions and procedures apply:

Credit slip.

(1) Each "credit slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of credit slips received by a licensee shall be controlled and accounted for separately;
- (b) Request for credits shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Credit slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for credit.

(2) A "request for credit" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a credit slip for the removal of gaming chips and coins to the cashier's cage. The original and duplicate of the request for credit shall include the following entries:

- (a) The date, time and shift of preparation;
- (b) The denomination of gaming chips or coins to be removed from the gaming table;
- (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming table;
- (d) The game and table number from which the gaming chips or coins are to be removed; and
- (e) The signature of the gaming operation supervisor and dealer assigned to the gaming table from which gaming chips or coins are to be removed.

Employee verification.

(3) Immediately upon preparation of a request for credit and transfer of gaming chips or coins to a security department employee, a gaming operation supervisor shall obtain on the duplicate copy of the request for credit the signature of the security department member to whom the gaming chips and coins were transferred. The dealer shall place the duplicate copy in public view on the gaming table from

which the gaming chips or coins were removed. Such request for credit shall not be removed until a credit slip is received from the cashier's cage at which time the request for credit and credit slip are deposited in the drop box.

Transporting requests.

(4) The original of the request for credit and the gaming chips or coins removed from the gaming table shall be transported directly to the cashier's cage by the security department employee.

Credit slip procedures.

(5) A credit slip shall be prepared by the cashier whenever gaming chips or coins are removed from the gaming tables to the cashier's cage. The following procedures and requirements shall be observed with regard to credit slips:

(a) Each series of credit slips shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of credit slips, placing credit slips in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on credit slip.

(6) On the original, duplicate and triplicate copies of a credit slip, the preparer shall record, at a minimum, the following information:

- (a) The denomination of the gaming chips or coins removed from the gaming table to the cashier's cage;
 - (b) The total amount of each denomination of gaming chips or coins removed from the gaming table to the cashier's cage;
 - (c) The total amount of all denominations of gaming chips or coins removed from the gaming table to the cashier's cage;
 - (d) The game and table number from which the gaming chips or coins were removed;
 - (e) The date and shift during which the removal of gaming chips or coins occurs; and
 - (f) The signature of the preparer.
- (7) Upon preparation, the time of preparation of the credit slip shall be recorded, at a minimum, on the original and duplicate copy.

INTERNAL CONTROLS – COUNT TEAM SECTION (Continued)

Signatures required on credit slips.

(8) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit slip shall be, at a minimum, the following personnel at the following times:

(a) The cage cashier upon preparation;

(b) The security department employee transporting the gaming chips or coins to the cashier's cage upon presentation to the cashier;

(c) The dealer assigned to the gaming table upon receipt at such table from the security department employee; and

(d) The gaming operation supervisor assigned to the gaming table upon receipt at such table.

Transporting chips and coins.

(9) Upon meeting the signature requirements, the security department employee transporting the original and duplicate copies of the credit slip to the gaming table, shall observe the following:

(a) The dealer shall immediately place the duplicate copies of the credit slip and request for credit in the drop box attached to the gaming table from which the gaming chips or coins are removed; and

(b) The security department employee shall expeditiously return the original credit slip to the cashier's cage where the original of the credit slip and request for credit shall be maintained together and controlled by cage employees.

VOID procedures.

(10) The original and duplicate copies of "VOID" credit slips, and the original request for credit and credit slip shall be forwarded to:

(a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate credit slip and the duplicate request for credit removed from the drop box, after which the request for credit and the original and duplicate credit slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit slip and request for credit removed from the drop box and the triplicate.

INTERNAL CONTROLS – COUNT TEAM SECTION (Continued)

WAC 230-40-880 COUNT ROOM REQUIREMENTS.

All card room licensees offering house-banked card games or utilizing drop boxes for the collection of game fees or wagers shall be required to maintain a secured area for the counting of gaming chips, coin, and currency. The following requirements, restrictions, and procedures apply:

(1) There shall be a room specifically designated for counting the contents of drop boxes, which shall be known as the "count room": Provided, That licensees not offering house-banked card games shall not be required to maintain a count room for counting the contents of drop boxes if they have another secure location and they meet all other commission requirements for surveillance and counting procedures.

(2) The count room shall be a fully enclosed room with only one entry designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:

(a) A door equipped with at least one lock securing the count room door, the key or combination to which shall be maintained and controlled by the security department. If a double locking system is used, the gaming operation department shall maintain a second key;

(b) The gaming operation department or security department shall establish a sign-out procedure for all keys removed from the security department; and

(c) An alarm device connected to the entrance of the count room in such a manner as to cause a signaling to the surveillance employees of the closed circuit television system whenever the door to the count room is opened.

(3) The following shall be located within the count room:

(a) A table constructed of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes which shall be known as the "count";

(b) Closed circuit television cameras and microphones that are capable of, but not limited to, the following:

(i) Effective and detailed video and audio monitoring of the entire count process; and

(ii) Effective, detailed video-monitoring of the count room and all contents, including storage cabinets or trolleys used to store drop boxes.

(c) The licensee shall post a sign within the count room or at the entrance disclosing that audio recordings within the count room are being conducted at all times.

(4) A count room sign-in log shall be maintained by the licensee as prescribed by the commission.

INTERNAL CONTROLS – COUNT TEAM SECTION (Continued)

WAC 230-40-885 COUNT PROCEDURES – HOUSE-BANKING. Card rooms that offer house-banked card games shall ensure the contents of drop boxes are counted and recorded in a manner that ensures the proper accountability of all gaming chips, coins, and currency. The following restrictions and procedures apply:

Notification of count.

(1) The security department shall notify the surveillance department whenever the contents of drop boxes removed from gaming tables are to be counted and recorded, which, at a minimum, shall be once each gaming day.

Count team members.

(2) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of and by those employees assigned by the gaming operation department for the conduct of the count. The count team must consist of three employees who shall not be in a position to perpetrate or conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

Securing the count room.

(3) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

Video and audio recording of the count.

(4) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television surveillance room in the establishment that the count is about to begin, after which such person shall make a video and audio recording of the entire counting process.

Count procedures.

(5) Contents of drop boxes shall not be mixed prior to counting and recording of each drop box. Procedures and requirements for conducting the count shall be the following:

(a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the game, table number, and shift marked thereon;

(b) The contents of each drop box shall be emptied and counted separately on the count table;

(c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member to confirm that all contents of the drop box have been removed, after which the

drop box shall be locked and placed in the storage area for drop boxes;

(d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;

(e) Each denomination of coin and currency shall be counted separately, either manually or mechanically, by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;

(f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, table number, and shift, the following information:

(i) The total amount of currency and coin counted, also known as the "drop";

(ii) The amount of the opener;

(iii) The amount of the closer;

(iv) The serial number and amount of each fill slip;

(v) The total amount of the fill;

(vi) The serial number and amount of each credit slip;

(vii) The total amount of all credit slips; and

(viii) The game win or loss.

(g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, table inventory slips, fill slips and credit slips counted, and win or loss, together with such additional information as may be required on the master game report by the licensee;

(h) Notwithstanding the requirements of (f) and (g) of this subsection, if the licensee's system of accounting and internal controls provides for the recording on the master game report of fill slips, credit slips, and table inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare the serial numbers and totals of the amounts recorded thereon to the fill slips, credit slips, and table inventory slips removed from the drop boxes: Provided, That the accounting department may complete the win/loss portions independently from the count team, if properly documented in the approved internal controls; and

(i) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon.

Concluding the count.

(6) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:

(a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master

INTERNAL CONTROLS – COUNT TEAM SECTION (Continued)

game report and in the presence of the count team, shall recount, either manually or mechanically, the cash received;

(b) The top copy of the master game report, after signing, and the request for fills, the fill slips, the request for credits, the credit slips, and the table inventory slips removed from drop boxes, shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel; and

(c) If the licensee's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fill slips, credit slips, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.

Accounting.

(7) The originals and copies of the master game report, request for fills, fill slips, request for credits, credit slips and table inventory slips shall on a daily basis, in the accounting department be:

(a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;

(b) Reviewed for the appropriate number and propriety of signatures on a test basis;

(c) Accounted for by series numbers, if applicable;

(d) Tested for proper calculation, summarization, and recording;

(e) Subsequently recorded; and

(f) Maintained and controlled by the accounting department.

INTERNAL CONTROLS – COUNT TEAM SECTION (Continued)

WAC 230-40-890 SIGNATURES – REQUIREMENTS.

Each transfer of cash, coins, or chips shall be documented and verified by signatures of individuals responsible for applicable records. A record of authorized signatures shall be maintained for all employees of a house-banked card room authorized to approve transfers of cash, coin, or chips. The following restrictions and operating procedures apply to licensees conducting house-banked card games:

(1) Signatures shall:

(a) Be, at a minimum, the signer's first initial and last name, i.e., "B. Smith";

(b) Be immediately adjacent to, or above, the clearly printed or preprinted title of the signer and his or her employee number; and

(c) Signify that the signer has prepared forms, records, and documents, and/or is authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the licensee's system of accounting and internal control.

(2) The licensee shall ensure that signature cards are completed for each person who signs or initials forms, records and documents, and shall include samples of signatures and initials of signers. Such signature records shall be prepared in the presence of a member of the accounting department who shall verify the employee's identity by review of a picture identification card. Completed cards shall be maintained in a dated signature card file, sorted by department and listed alphabetically by name. The signature records shall be adjusted on a timely basis to reflect changes of personnel and must be retained for a period of at least one year after employment terminates.

(3) Signature cards shall be securely stored in the accounting department. A copy of each signature card shall be maintained in the cashier's cage and be used by cage personnel to verify applicable signatures.

INTERNAL CONTROLS SURVEILLANCE SECTION

WAC 230-40-030 NUMBER OF TABLES AND PLAYERS LIMITED. No licensee shall allow more than fifteen separate tables at which card games are played. No licensee shall allow more than ten players for nonhouse-banked card games and seven players and/or areas for wagering at house-banked card games to participate at any one table at any given time. Each table shall be permanently numbered and readily identifiable by the licensee's surveillance system.

INTERNAL CONTROLS – SURVEILLANCE SECTION (Continued)

WAC 230-40-825 CLOSED CIRCUIT TELEVISION SYSTEM – HOUSE-BANKING. Critical activities related to the operation of house-banked card games shall be closely monitored by the use of a closed circuit television (CCTV) system, including video recording. Each house-banked card room licensee shall install and maintain a CCTV system that meets the following requirements.

Camera coverage.

(1) The following areas are required to be covered by the CCTV system:

(a) All gaming at each table including, but not limited to, the following:

- (i) Cards;
- (ii) Wagers;
- (iii) Chip tray;
- (iv) Drop box openings;
- (v) Card shoe;
- (vi) Shuffling devices; and
- (vii) Players and dealers.

(b) All activity in the pits.

(c) All activity in the cashier's cage including, but not limited to, the:

- (i) Outside entrance;
- (ii) Fill/credit dispenser;
- (iii) Customer transactions;
- (iv) Cash and chip drawers;
- (v) Vault/safe;
- (vi) Storage cabinets;
- (vii) Fill or credit transactions; and
- (viii) Floor.

(d) All activity in the count room including, but not limited to, the:

- (i) Count table;
- (ii) Floor;
- (iii) Counting devices;
- (iv) Trolley;
- (v) Drop boxes;
- (vi) Storage shelves/cabinets; and
- (vii) Entrance and exits.

(e) The movement of cash, gaming chips, and drop boxes.

(f) Entrances and exits to the card room.

Camera requirements.

(2) The CCTV system shall consist of light sensitive cameras including those with pan, tilt, and zoom (PTZ) capabilities that have the capability to determine card and chip values and the configuration of wagers at each gaming table. Each video camera shall be capable of having its picture displayed on a video monitor. Cameras shall be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by patrons or employees. PTZ cameras shall be placed behind a smoked dome, one-way mirror or similar materials that conceal the camera from view. Installed cameras shall cover the areas required by this rule and shall include at a minimum:

(a) At least one fixed camera focused over each gaming table covering the entire layout;

(b) A sufficient number of fixed and/or PTZ cameras permanently programmed for the purposes of monitoring players at each gaming table. The PTZ cameras must be capable of viewing each patron at each gaming position at least once every five minutes;

(c) A sufficient number of PTZ cameras for the purpose of determining the configuration of wagers and card values at each gaming table. Any time a winning wager, including jackpot or bonus payouts in excess of five hundred dollars are won, surveillance shall utilize this camera to verify the winning hand, the amount of the wager, and the player who won the prize. Each licensee shall have documented procedures in their internal controls stipulating the manner in which this will be carried out;

(d) A sufficient number of fixed and/or PTZ cameras in the cage(s);

(e) A sufficient number of fixed and/or PTZ cameras in the count room; and

(f) Any other location as deemed necessary by commission staff.

Video recording equipment.

(3) Video recording equipment shall meet the following requirements:

(a) Record at a rate of not less than twenty pictures per second;

(b) Insert the time and date on the video recording. If multiple time and date generators are used, they shall be synchronized to the same time and date; and

(c) Multiplexing/quad recording devices may only be used for external surveillance, movement of drop boxes between tables and the count room, and on entrances and exits: Provided, That split screen devices may be utilized for areas not required to have surveillance coverage.

Activities to be videotaped.

(4) Video signals from all cameras shall be recorded when:

(a) Gaming tables are in operation;

(b) Drop boxes or chip trays are stored on the gaming tables;

(c) Drop boxes are being transported; or

(d) Drop box contents are being counted.

Video monitors.

(5) The CCTV system shall include a sufficient number of video monitors to simultaneously view multiple gaming tables, the cashier's cage, and count room activities.

Surveillance room.

(6) The licensee shall maintain one or more surveillance rooms with the following minimum requirements:

(a) The surveillance room shall have controlled access and be used solely by the employees of the surveillance department assigned to monitor activities: Provided, That this restriction does not apply to owners or approved supervisory or management personnel.

INTERNAL CONTROLS – SURVEILLANCE SECTION (Continued)

(b) Commission agents and law enforcement personnel shall be provided immediate access to the surveillance room upon request.

(c) Entrances to surveillance rooms shall not be readily observable from the gaming operation area.

(d) The licensee shall ensure a surveillance employee is present in the surveillance room and monitoring the activities of the operation, via the surveillance room equipment, any time the card room is open to conduct gaming and during the count process: Provided, That the licensee may allow the surveillance room to operate without staff for a period not to exceed thirty minutes per shift for the purpose of routine breaks.

Surveillance staff not required.

(7) Licensees that are licensed for five or fewer tables and not operating under Phase II limits, shall not be required to maintain a staffed surveillance room.

Surveillance activity log.

(8) The licensee shall maintain a record of all surveillance activities in the surveillance room. A surveillance log shall be maintained by surveillance personnel and shall include, at a minimum, the following:

- (a) Date and time of surveillance;
 - (b) Person initiating surveillance;
 - (c) Time of termination of surveillance;
 - (d) Summary of the results of the surveillance;
- and
- (e) A record of any equipment or camera malfunctions.

Employee sign-in log.

(9) A surveillance room sign-in log shall be maintained to document the time each surveillance employee monitors the card room. The surveillance sign-in log shall be available for inspection at any time by commission staff or law enforcement personnel.

Labeling and storing tapes.

(10) Video and audio tapes shall be marked to denote the activity recorded and retained for a period necessary to afford commission staff or law enforcement personnel reasonable access. The following minimum retention periods apply to tapes:

(a) All tapes shall be retained for a minimum of seven complete gaming days;

(b) Tapes of evidentiary value shall be maintained as requested by commission staff;

(c) Tapes documenting jackpot payouts over three thousand dollars shall be retained for at least thirty days; and

(d) Commission staff may increase any of the retention requirements noted in this section by notifying the licensee.

Dispute resolution.

(11) In the event there is not sufficient clarity due to violations of the above requirements, the burden will be on the licensee to prove any action taken was warranted. Otherwise, all disputes will be resolved in favor of the player: Provided, That a review by commission staff may be requested if the licensee feels circumstances warrant, for example, cheating has occurred.

INTERNAL CONTROLS – SURVEILLANCE SECTION (Continued)

WAC 230-40-880 COUNT ROOM REQUIREMENTS.

All card room licensees offering house-banked card games or utilizing drop boxes for the collection of game fees or wagers shall be required to maintain a secured area for the counting of gaming chips, coin, and currency. The following requirements, restrictions, and procedures apply:

(1) There shall be a room specifically designated for counting the contents of drop boxes, which shall be known as the "count room": Provided, That licensees not offering house-banked card games shall not be required to maintain a count room for counting the contents of drop boxes if they have another secure location and they meet all other commission requirements for surveillance and counting procedures.

(2) The count room shall be a fully enclosed room with only one entry designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:

(a) A door equipped with at least one lock securing the count room door, the key or combination to which shall be maintained and controlled by the security department. If a double locking system is used, the gaming operation department shall maintain a second key;

(b) The gaming operation department or security department shall establish a sign-out procedure for all keys removed from the security department; and

(c) An alarm device connected to the entrance of the count room in such a manner as to cause a signaling to the surveillance employees of the closed circuit television system whenever the door to the count room is opened.

(3) The following shall be located within the count room:

(a) A table constructed of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes which shall be known as the "count";

(b) Closed circuit television cameras and microphones that are capable of, but not limited to, the following:

(i) Effective and detailed video and audio monitoring of the entire count process; and

(ii) Effective, detailed video-monitoring of the count room and all contents, including storage cabinets or trolleys used to store drop boxes.

(c) The licensee shall post a sign within the count room or at the entrance disclosing that audio recordings within the count room are being conducted at all times.

(4) A count room sign-in log shall be maintained by the licensee as prescribed by the commission.

INTERNAL CONTROLS – SURVEILLANCE SECTION (Continued)

WAC 230-40-885 COUNT PROCEDURES – HOUSE-BANKING. Card rooms that offer house-banked card games shall ensure the contents of drop boxes are counted and recorded in a manner that ensures the proper accountability of all gaming chips, coins, and currency. The following restrictions and procedures apply:

Notification of count.

(1) The security department shall notify the surveillance department whenever the contents of drop boxes removed from gaming tables are to be counted and recorded, which, at a minimum, shall be once each gaming day.

Count team members.

(2) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of and by those employees assigned by the gaming operation department for the conduct of the count. The count team must consist of three employees who shall not be in a position to perpetrate or conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

Securing the count room.

(3) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording, and verification process is completed.

Video and audio recording of the count.

(4) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television surveillance room in the establishment that the count is about to begin, after which such person shall make a video and audio recording of the entire counting process.

Count procedures.

(5) Contents of drop boxes shall not be mixed prior to counting and recording of each drop box. Procedures and requirements for conducting the count shall be the following:

(a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the game, table number, and shift marked thereon;

(b) The contents of each drop box shall be emptied and counted separately on the count table;

(c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member to confirm that all contents of the drop box have been removed, after which the

drop box shall be locked and placed in the storage area for drop boxes;

(d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;

(e) Each denomination of coin and currency shall be counted separately, either manually or mechanically, by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;

(f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, table number, and shift, the following information:

(i) The total amount of currency and coin counted, also known as the "drop";

(ii) The amount of the opener;

(iii) The amount of the closer;

(iv) The serial number and amount of each fill slip;

(v) The total amount of the fill;

(vi) The serial number and amount of each credit slip;

(vii) The total amount of all credit slips; and

(viii) The game win or loss.

(g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, table inventory slips, fill slips and credit slips counted, and win or loss, together with such additional information as may be required on the master game report by the licensee;

(h) Notwithstanding the requirements of (f) and (g) of this subsection, if the licensee's system of accounting and internal controls provides for the recording on the master game report of fill slips, credit slips, and table inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare the serial numbers and totals of the amounts recorded thereon to the fill slips, credit slips, and table inventory slips removed from the drop boxes: Provided, That the accounting department may complete the win/loss portions independently from the count team, if properly documented in the approved internal controls; and

(i) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon.

Concluding the count.

(6) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:

(a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master

INTERNAL CONTROLS – SURVEILLANCE SECTION (Continued)

game report and in the presence of the count team, shall recount, either manually or mechanically, the cash received;

(b) The top copy of the master game report, after signing, and the request for fills, the fill slips, the request for credits, the credit slips, and the table inventory slips removed from drop boxes, shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel; and

(c) If the licensee's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fill slips, credit slips, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.

Accounting.

(7) The originals and copies of the master game report, request for fills, fill slips, request for credits, credit slips and table inventory slips shall on a daily basis, in the accounting department be:

(a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;

(b) Reviewed for the appropriate number and propriety of signatures on a test basis;

(c) Accounted for by series numbers, if applicable;

(d) Tested for proper calculation, summarization, and recording;

(e) Subsequently recorded; and

(f) Maintained and controlled by the accounting department.

INTERNAL CONTROLS – SURVEILLANCE SECTION (Continued)

WAC 230-40-800 OPERATING RULES FOR HOUSE-BANKED CARD GAMES. Licensees that operate house-banked card games shall establish rules and procedures governing each specific house-banked card game played at their premises. The following restrictions and procedures apply:

(1) House-banked card games shall not be operated prior to approval as set forth in WAC 230-40-010;

(2) All house-banked card games shall be dealt from a dealing shoe or an approved shuffling device;

(3) The licensee shall submit all rules governing the game to commission staff for approval. All requests shall be in writing and include at least the following:

(a) Rules of play, including those specified by the manufacturer or supplier;

(b) Any administrative or accounting controls applicable to specific games;

(c) All specifications provided by the equipment manufacturer or supplier applicable to gaming equipment utilized in the game;

(d) Physical characteristics of the following:

(i) Cards (including procedures for receipt and storage);

(ii) Gaming chips used to play the game;

(iii) All gaming tables and layouts;

(iv) Dealing shoes;

(v) Card shuffling devices;

(vi) Card peeking devices;

(vii) Bill changer devices; and

(viii) Such other equipment as may be required for use in otherwise authorized games;

(4) Rules for each authorized game, shall include at least the following:

(a) Procedures of play;

(b) Minimum and maximum permissible wagers;

(c) Shuffling, cutting, and dealing techniques, as applicable;

(d) Dealer take and pay procedures;

(e) Payout odds on each form of wager, including any factors affecting payments to the player, such as maximum player or aggregate prize restrictions; and

(f) Procedures to be followed on occurrence of irregularities, including examples of irregularities applicable to each game;

(5) A summary of playing procedures and rules of play for each game shall be visibly displayed in the gaming area. If the procedures or restrictions are game specific, they shall be displayed at each gaming table at which the game is played.

INTERNAL CONTROLS SECURITY SECTION

WAC 230-40-840 DROP BOXES – HOUSE-BANKING – DROP BOX COLLECTION METHOD. All card room licensees operating house-banked card games or collecting fees utilizing the drop box collection method (WAC 230-40-050) shall use a drop box. Drop boxes shall be constructed and controlled in a manner to provide security of contents and shall meet the following requirements and procedures:

Drop box requirements.

(1) Each gaming table shall have attached to it a metal container known as a "drop box" into which all cash, duplicate fill slips and credit slips, request for fills, request for credits, and table inventory forms shall be deposited.

(2) Each drop box shall have the following:

Box lock.

(a) A lock securing the contents. The key to this lock shall be maintained and controlled by the accounting department;

Table lock.

(b) A separate lock securing the drop box to the gaming table. This lock shall be keyed differently from the lock securing the contents of the drop box. The key utilized to unlock this lock shall be maintained and controlled by the security department;

Opening on box.

(c) An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;

Labeling drop boxes.

(d) Permanently imprinted or impressed thereon and clearly visible, a number corresponding to a permanent number on the gaming table to which it is attached and a marking to indicate the game. The shift shall also be included if drop boxes are removed from

tables more than once during an operating day: Provided, That emergency drop boxes may be maintained without such number or marking, if the word "emergency" is permanently imprinted or impressed thereon, and when put into use, are temporarily marked with the number of the gaming table and identification of the game and shift.

Transportation to the count room.

(3) All drop boxes removed from the gaming tables shall be transported directly to the count room and secured by one security department member and one employee of the gaming operation department: Provided, That licensees not required to maintain a count room shall transport drop boxes directly to the count area using the supervisor or the supervisor's designee for the transport: Provided further, That a licensee may utilize the count team members to pull and transport the drop boxes to the count room for the count process, if conducted under the supervision of security when the gaming operation is closed and the card room entrances/exits are locked.

Storing drop boxes in count room.

(4) All drop boxes not attached to a gaming table shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by two separately keyed locks. The key to one lock shall be maintained and controlled by the security department and the key to the other lock shall be maintained and controlled by the gaming operation department.

Storing drop boxes on gaming tables.

(5) Drop boxes, when not in use during a shift, may be stored on the gaming tables if the entire area is covered by taped surveillance.

INTERNAL CONTROLS – SECURITY SECTION (Continued)

WAC 230-40-850 PROCEDURES FOR PURCHASING GAMING CHIPS. The purchase of gaming chips by patrons shall be conducted in a manner to ensure proper accountability of chips and cash. The following restrictions and procedures apply:

(1) Gaming chips shall only be purchased at the gaming table;

(2) The cash shall be spread on the top of the gaming table by the dealer in a manner that allows the patron, floor supervisor, and surveillance a full view of the transaction;

(3) The amount of cash shall be announced by the dealer accepting it in a tone of voice to be heard by the patron who presented the cash and the floor

supervisor specifically assigned to the gaming table. All cash changes of one hundred dollars or more shall be verified by the supervisor;

(4) Prior to giving gaming chips to the patron, the dealer shall prove each denomination of chips in a manner that discloses the number of chips to the patron, floor supervisor, and surveillance. Procedures for proving chips shall be included in the licensee's approved system of internal controls; and

(5) Immediately after gaming chips, equivalent to the cash amount paid by the patron, have been given to the patron, the cash shall be taken from the top of the gaming table and placed by the dealer into the drop box attached to the gaming table.

INTERNAL CONTROLS – SECURITY SECTION (Continued)

WAC 230-40-860 TABLE INVENTORIES AND PROCEDURES FOR OPENING TABLES FOR HOUSE-BANKED CARD GAMES. Procedures shall be established to ensure proper accountability of gaming chips and coins stored at gaming tables and for beginning play at such tables. The following restrictions and procedures apply:

(1) Whenever a gaming table is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "table inventory" and the licensee shall not cause or permit gaming chips or coins to be added to or removed from such table inventory during the gaming day except:

- (a) In exchange for cash from patrons;
- (b) In payment of winning wagers and collection of losing wagers made at such gaming table;
- (c) In exchange for gaming chips received from a patron having an equal aggregate face value; and
- (d) In conformity with procedures set forth in WAC 230-40-865 and 230-40-870.

(2) Each table inventory and the table inventory slip prepared in conformity with the procedures set forth in WAC 230-40-875 shall be stored during nongaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. The information on the table inventory slip shall be visible from the outside of the container. All containers shall be stored in the cashier's cage during nongaming hours: Provided, That containers may be secured at the gaming table if under taped surveillance.

(3) The keys to table inventory containers shall be maintained and controlled by the gaming operation department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such table inventories to or from the gaming tables.

(4) Licensees shall abide by the following procedures when opening gaming tables for play:

(a) The locked container securing the table inventory and the table inventory slip shall be unlocked by the gaming operation supervisor assigned to such table;

(b) A dealer assigned to the gaming table shall prove the contents of the container in the presence of the gaming operation supervisor assigned to such table and shall compare the count to the "opener," as defined in WAC 230-40-875, removed from the container. The procedures used to prove the chip and coin inventory shall be set forth in the licensee's internal controls;

(c) Signatures attesting to the accuracy of the information on the opener shall be placed on such "opener" by the dealer assigned to the table and the gaming operation supervisor that observed the dealer count the contents of the container;

(d) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the "opener," shall be immediately reported to the gaming operation manager, assistant gaming operation manager, or gaming operation shift manager in charge at such time. The manager in charge shall complete the notification of error slip, which will be verified by security and transported to accounting or the cashier's cage. Accounting will maintain a copy in the log containing the notification of error slips. The licensee shall notify commission staff within twenty-four hours of errors of two hundred dollars or more or if there is a pattern relating to regular shortages;

(e) After the count of the contents of the container and the signing of the "opener," such slip shall be immediately deposited in the drop box attached to the gaming table by the dealer.

INTERNAL CONTROLS – SECURITY SECTION (Continued)

WAC 230-40-865 DISTRIBUTING CHIPS AND COINS TO TABLES – REQUESTS AND FILLS – HOUSE-BANKING. Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

Fill slip.

(1) Each "fill slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

(a) Each series of fill slips received by a licensee shall be controlled and accounted for separately;

(b) Request for fills shall be secured in such a manner that only a gaming operations supervisor has access;

(c) Fill slips shall be secured by the cashier's cage;

(d) These forms shall be used in sequential order and all forms accounted for; and

(e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for fill.

(2) A "request for fill" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a "fill slip" for the distribution of chips and coins to gaming tables. The original and duplicate of the request for fill shall include the following entries:

(a) The date, time, and shift of preparation;

(b) The denomination of gaming chips or coins to be distributed to the gaming tables;

(c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming tables;

(d) The game and table number to which the gaming chips or coins are to be distributed;

(e) The signature of the gaming operation supervisor; and

(f) The signature of the security department employee that distributed the chips and coins.

Transporting requests.

(3) After preparation of the request for fill, the original of such request shall be transported directly to the cashier's cage by security.

Duplicate copies of the request.

(4) The duplicate copy of the request for fill shall be placed by the dealer or floor supervisor in public view on the gaming table to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request for fill and fill slip are deposited in the drop box.

Fill slip procedures.

(5) A fill slip shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming tables from the cashier's cage. The following procedures and requirements shall be observed with regard to fill slips:

(a) Each series of fill slips shall be in triplicate form to be kept in a locked dispenser that will permit an individual fill slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy of the form shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of fill slips, placing fill slips in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on fill slip.

(6) On the original, duplicate, and triplicate copies of the fill slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins being distributed;

(b) The total amount of each denomination of gaming chips or coins being distributed;

(c) The total amount of all denominations of gaming chips or coins being distributed;

(d) The game and table number to which the gaming chips or coins are being distributed;

(e) The date and shift during which the distribution of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the fill slip shall be recorded, at a minimum, on the original and the duplicate.

Employee verification.

(8) All gaming chips or coins distributed to the gaming tables from the cashier's cage shall be transported directly by a security department employee. This employee shall verify the request for fill to the amount of the fill slip and sign the original of the request for fill, which is maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill slip for signature.

Signatures required on fill slips.

(9) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fill slips shall, at a minimum, be those of the following personnel at the following times:

INTERNAL CONTROLS – SECURITY SECTION (Continued)

- (a) The cashier upon preparation;
- (b) The security department employee transporting the gaming chips or coins to the gaming table upon receipt from the cashier of gaming chips or coins;
- (c) The dealer assigned to the gaming table upon receipt; and
- (d) The gaming operation supervisor assigned to the gaming table upon receipt of the gaming chips or coins at such table.

Transporting chips and coins.

(10) Upon meeting the signature requirements, the security department employee that transported the gaming chips or coins and the original and duplicate copies of the fill slip to the table, shall observe the following:

- (a) The dealer shall immediately place the duplicate fill slip and duplicate request for fill in the drop box attached to the gaming table to which the gaming chips or coins were transported; and
- (b) The security department employee shall then return the original fill slip to the cashier's cage where the original fill slip and request for fill shall be

maintained together and controlled by cage employees.

VOID procedures.

(11) The original and duplicate "VOID" fill slips, the original request for fill, and the original fill slip shall be forwarded as follows:

- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate copy of the fill slip and duplicate copy of the request for fill removed from the drop box after which the original and duplicate copy of the request for fill and the original and duplicate copy of the fill slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

- (b) The accounting department for agreement, on a daily basis, with the duplicate fill slip and duplicate copy of the request for fill removed from the drop box and the triplicate.

Transferring chips.

(12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

INTERNAL CONTROLS – SECURITY SECTION (Continued)

WAC 230-40-870 REMOVING CHIPS AND COINS FROM TABLES – REQUESTS AND CREDITS – HOUSE-BANKING. All transfers of gaming chips and coins shall be closely controlled and documented in a manner that ensures accountability. Gaming chips and coins shall only be removed from gaming tables with adequate security. The following restrictions and procedures apply:

Credit slip.

(1) Each "credit slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of credit slips received by a licensee shall be controlled and accounted for separately;
- (b) Request for credits shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Credit slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for credit.

(2) A "request for credit" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a credit slip for the removal of gaming chips and coins to the cashier's cage. The original and duplicate of the request for credit shall include the following entries:

- (a) The date, time and shift of preparation;
- (b) The denomination of gaming chips or coins to be removed from the gaming table;
- (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming table;
- (d) The game and table number from which the gaming chips or coins are to be removed; and
- (e) The signature of the gaming operation supervisor and dealer assigned to the gaming table from which gaming chips or coins are to be removed.

Employee verification.

(3) Immediately upon preparation of a request for credit and transfer of gaming chips or coins to a security department employee, a gaming operation supervisor shall obtain on the duplicate copy of the request for credit the signature of the security department member to whom the gaming chips and coins were transferred. The dealer shall place the duplicate copy in public view on the gaming table from

which the gaming chips or coins were removed. Such request for credit shall not be removed until a credit slip is received from the cashier's cage at which time the request for credit and credit slip are deposited in the drop box.

Transporting requests.

(4) The original of the request for credit and the gaming chips or coins removed from the gaming table shall be transported directly to the cashier's cage by the security department employee.

Credit slip procedures.

(5) A credit slip shall be prepared by the cashier whenever gaming chips or coins are removed from the gaming tables to the cashier's cage. The following procedures and requirements shall be observed with regard to credit slips:

(a) Each series of credit slips shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of credit slips, placing credit slips in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on credit slip.

(6) On the original, duplicate and triplicate copies of a credit slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins removed from the gaming table to the cashier's cage;

(b) The total amount of each denomination of gaming chips or coins removed from the gaming table to the cashier's cage;

(c) The total amount of all denominations of gaming chips or coins removed from the gaming table to the cashier's cage;

(d) The game and table number from which the gaming chips or coins were removed;

(e) The date and shift during which the removal of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the credit slip shall be recorded, at a minimum, on the original and duplicate copy.

INTERNAL CONTROLS – SECURITY SECTION (Continued)

Signatures required on credit slips.

(8) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit slip shall be, at a minimum, the following personnel at the following times:

(a) The cage cashier upon preparation;

(b) The security department employee transporting the gaming chips or coins to the cashier's cage upon presentation to the cashier;

(c) The dealer assigned to the gaming table upon receipt at such table from the security department employee; and

(d) The gaming operation supervisor assigned to the gaming table upon receipt at such table.

Transporting chips and coins.

(9) Upon meeting the signature requirements, the security department employee transporting the original and duplicate copies of the credit slip to the gaming table, shall observe the following:

(a) The dealer shall immediately place the duplicate copies of the credit slip and request for credit in the drop box attached to the gaming table from which the gaming chips or coins are removed; and

(b) The security department employee shall expeditiously return the original credit slip to the cashier's cage where the original of the credit slip and request for credit shall be maintained together and controlled by cage employees.

VOID procedures.

(10) The original and duplicate copies of "VOID" credit slips, and the original request for credit and credit slip shall be forwarded to:

(a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate credit slip and the duplicate request for credit removed from the drop box, after which the request for credit and the original and duplicate credit slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit slip and request for credit removed from the drop box and the triplicate.

INTERNAL CONTROLS – SECURITY SECTION (Continued)

WAC 230-40-875 CLOSING GAMING TABLES – HOUSE-BANKING. Procedures shall be followed for closing gaming tables that ensure proper accountability of gaming chips and coins. The following restrictions and procedures apply:

Counting chips and coins.

(1) Whenever the gaming activity at each gaming table is concluded for the day, the gaming chips and coins shall be counted by the dealer assigned to the gaming table and observed by a gaming operation supervisor. The entire count and closure process shall be monitored and taped by the surveillance department.

Recording the count.

(2) The gaming chips and coins counted shall be recorded on a table inventory slip by the gaming operation supervisor assigned to the gaming table.

Table inventory slips.

(3) Table inventory slips shall be three-part serially prenumbered forms and on the original of the slip (closer), the duplicate of the slip (opener), and on the triplicate, which is maintained and controlled by security, the gaming operation supervisor shall record the following:

- (a) The date and identification of the shift ended;
- (b) The game and table number;
- (c) The total value of each denomination of gaming chips and coins remaining at the tables; and
- (d) The total value of all denominations of gaming chips and coins remaining at the gaming tables.

Verification signatures.

(4) Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of closing the gaming tables shall be of the dealer

and the gaming operation supervisor assigned to the gaming table who observed the dealer count the contents of the table inventory.

Distributing table inventory slips.

- (5) Upon meeting the signature requirements:
 - (a) The closer shall be deposited in a drop box attached to the gaming table immediately prior to the closing of the table;
 - (b) The opener and the gaming chips and coins remaining at the table shall be placed in a clear container provided for that purpose after which the container shall be locked; and
 - (c) The triplicate copy of the table inventory slip shall be forwarded to the accounting department by a security department employee.

VOID procedures.

(6) In the event the closer is voided, the preparer shall void this form by writing the word "VOID" on all copies of the form. All copies of the form shall then be forwarded to the accounting department.

(7) At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier shall determine that all locked containers have been returned to the cage and adequately secured or, if the locked containers are secured to the gaming table, a gaming operation supervisor shall account for all the locked containers.

Removing drop boxes from tables.

(8) In the event drop boxes are removed from gaming tables at other than the close of the gaming day, they shall be removed at a shift change. A table inventory slip shall be prepared as required above with the incoming and outgoing supervisor verifying the inventory and signing.

INTERNAL CONTROLS – SECURITY SECTION (Continued)

WAC 230-40-880 COUNT ROOM REQUIREMENTS.

All card room licensees offering house-banked card games or utilizing drop boxes for the collection of game fees or wagers shall be required to maintain a secured area for the counting of gaming chips, coin, and currency. The following requirements, restrictions, and procedures apply:

(1) There shall be a room specifically designated for counting the contents of drop boxes, which shall be known as the "count room": Provided, That licensees not offering house-banked card games shall not be required to maintain a count room for counting the contents of drop boxes if they have another secure location and they meet all other commission requirements for surveillance and counting procedures.

(2) The count room shall be a fully enclosed room with only one entry designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:

(a) A door equipped with at least one lock securing the count room door, the key or combination to which shall be maintained and controlled by the security department. If a double locking system is used, the gaming operation department shall maintain a second key;

(b) The gaming operation department or security department shall establish a sign-out procedure for all keys removed from the security department; and

(c) An alarm device connected to the entrance of the count room in such a manner as to cause a signaling to the surveillance employees of the closed circuit television system whenever the door to the count room is opened.

(3) The following shall be located within the count room:

(a) A table constructed of clear glass or similar material with a base that does not obstruct viewing for the emptying, counting, and recording of the contents of the drop boxes which shall be known as the "count";

(b) Closed circuit television cameras and microphones that are capable of, but not limited to, the following:

(i) Effective and detailed video and audio monitoring of the entire count process; and

(ii) Effective, detailed video-monitoring of the count room and all contents, including storage cabinets or trolleys used to store drop boxes.

(c) The licensee shall post a sign within the count room or at the entrance disclosing that audio recordings within the count room are being conducted at all times.

(4) A count room sign-in log shall be maintained by the licensee as prescribed by the commission.

INTERNAL CONTROLS

GAMING DEPARTMENT SECTION

WAC 230-40-010 SOCIAL CARD GAMES – RULES OF PLAY – TYPES OF CARD GAMES AUTHORIZED. Social card games shall be played using rules and procedures as set forth in this section. Only card games that have been specifically authorized are allowed to be played in public or social card rooms.

Rules of play for all card games.

(1) Social card games shall be played in the following manner:

(a) The game must be played with one or more standard decks of playing cards or with approved electronic card facsimiles which meet the requirements of WAC 230-40-070 (1)(c): Provided, That cards may be removed to comply with rules of a specific game, such as pinochle;

(b) Players shall compete against all other players on an equal basis for nonhouse-banked games or against the licensee for house-banked games;

(c) Each player shall receive their own hand of cards and be responsible for decisions regarding such hand, such as whether to fold, discard, draw additional cards, or raise the wager;

(d) Players shall not place wagers on any other player's or the house's hand and no side bets between players are allowed: Provided, That the following shall not be in violation of this section:

(i) An insurance bet placed in the game of blackjack;

(ii) A tip wager made on behalf of a dealer; or

(iii) "Envy" provisions which allow a player to receive a prize if another player wins a jackpot or odds wager;

(e) A player's win or loss shall be determined during the course of play of a single card game; and

(f) No more than two separate games shall be played with a single hand of cards. For purposes of this section, bonus features and progressive jackpots are considered a game: Provided, That bonus features that allow a player to receive an additional prize if another player achieves a specific hand, such as "envy" or "share the wealth" features, shall not be considered a separate game if the player does not have to place a separate wager to participate.

Nonhouse-banked card games authorized.

(2) Nonhouse-banked card games shall only be played in the manner set forth in *The New Complete Hoyle, Revised*, *Hoyle's Modern Encyclopedia of Card Games*, or a similar authoritative book on card games approved by the director: Provided, That each licensee may make immaterial modifications to each authorized game set out in Hoyle. The following nonhouse-banked card games are authorized:

(a) Poker;

(b) Hearts;

(c) Pinochle;

(d) Cribbage;

(e) Rummy;

(f) Panguingue (Pan);

(g) Pitch;

(h) Bid Whist;

(i) Washington blackjack, if the business was licensed and operating the game on April 1, 2000, and under the restrictions set forth in WAC 230-40-125;

(j) Other games or modifications to approved games may be approved by the director, or the director's designee, on a case-by-case basis. Requests for approval of a game must be submitted in writing, and include the rules of play and all wagering schemes.

House-banked card games authorized.

(3) House-banked card games shall be approved by the director, or the director's designee, on a case-by-case basis. Request for approval of a house-banked card game must be submitted in writing, including the rules of play and all wagering schemes. A list of all approved games, modifications to games, and rules of play shall be available at all commission offices. The director may approve games in which the determination of whether a player wins or loses depends upon one or more of the following:

(a) The player's hand is a specific:

(i) Pattern or ranking of cards (pair, straight, flush, royal flush, etc.);

(ii) Combination of cards (two queens of hearts, ace and jack of spades, three sevens, etc.); or

(iii) Value of the cards (seventeen, twenty-one, etc.); and/or

(b) The player has a higher ranking or value hand than the house/dealer/banker.

Removing an approved game from play.

(4) Once a game is approved for play, the director shall not remove it from the authorized list of games without providing licensees written notice. Licensees shall be afforded an opportunity to object to the director's decision. If an objection is filed, an administrative law judge shall review the director's decision utilizing the brief adjudicative procedures set forth in WAC 230-50-010.

Procedures for when a proposed game is denied.

(5) The licensee shall be notified in writing when the director denies a request for a new game or modification of a game. The notification shall include reasons for the denial and provide the petitioner all information necessary for a formal petition to the commission for rule making, amendments, or repeal, as set forth in WAC 230-50-800.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-030 NUMBER OF TABLES AND PLAYERS LIMITED. No licensee shall allow more than fifteen separate tables at which card games are played. No licensee shall allow more than ten players for nonhouse-banked card games and seven players and/or areas for wagering at house-banked card games to participate at any one table at any given time. Each table shall be permanently numbered and readily identifiable by the licensee's surveillance system.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-120 LIMITS ON WAGERS IN CARD GAMES. Social and public card room licensees shall not allow wagering limits set by the commission to be exceeded in any card game. The number and value of wagers in card games are limited as follows:

Nonhouse-banked card games.

- (1) Poker:
 - (a) There shall be no more than five betting rounds in any one game;
 - (b) The maximum number of wagers in any betting round shall be four, comprised of an initial wager plus three raises; and
 - (c) The maximum amount of a single wager shall not exceed twenty-five dollars.
- (2) Games based on achieving a specific number of points – each point shall not exceed five cents in value.
- (3) An ante, except for panguingue (pan), shall not be more than the maximum wager allowed for the first betting round for any game. The ante may, by house rule, be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round. An ante, by house rule, may be used as part of a player's wager.

- (4) Panguingue (pan) – the maximum value of a chip for a payoff shall not exceed ten dollars. An ante will not exceed one chip. Doubling of conditions is prohibited. Players going out may collect not more than two chips from each participating player.

House-banked card games.

- (5) Licensees authorized to conduct house-banked card games shall not allow a single wager to exceed twenty-five dollars;
- (6) Licensees authorized to conduct Phase II house-banked card games shall not allow a single wager to exceed one hundred dollars;
- (7) A single wager may be made on each separate element of chance. In addition, for blackjack, an additional wager may be placed for doubling down or splitting pairs; and
- (8) Bonus wagers for house-banked progressive jackpots shall not exceed one dollar. Bonus wagers with a predetermined prize amount based upon a separate element of chance within the same game shall not exceed the authorized maximum table limits as described in subsections (5) and (6) of this section.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-130 WAGERS TO BE MADE WITH CHIPS ONLY. All wagers and fees to play made in connection with a card game shall be made with chips furnished by the licensee: Provided, That house-banked card games may use coins with a value of fifty cents or twenty-five cents: Provided further, That coins with a value of less than twenty-five cents may be used for pai gow poker games.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-505 RULES OF PLAY FOR SOCIAL CARD GAMES – DISPLAY – AVAILABILITY FOR REVIEW. Social card games shall be conducted in accordance with predetermined rules of play. Such rules shall be maintained on the licensed premises and immediately available, upon request, for review by commission staff, local law enforcement, or a player. The following requirements apply to rules of play:

Precedence of rules.

(1) The applicability of rules of play shall be as determined by the following precedence, in order of importance:

(a) **First priority:** Codified rules set forth in Title 230 WAC;

(b) **Second priority:** Specific rules set forth by a licensed manufacturer of a patented game and approved under WAC 230-40-010;

(c) **Third priority:** Rules set forth in *The New Complete Hoyle, Revised, Hoyle's Modern Encyclopedia of Card Games*, or a similar authoritative book on card games approved by the director: Provided, That licensees may make immaterial modifications to game rules set forth in Hoyle; and

(d) **Fourth priority:** House rules developed by the licensee and approved by commission staff.

Posted rules.

(2) Any rules related to the following shall be conspicuously posted in a location readily visible by all players.

- (a) Wagering limits for each type of game, including the ante as specified in WAC 230-40-120(3);
- (b) Prize pay-outs and any restrictions related to prizes;
- (c) Whether employees are allowed to play;
- (d) Procedures for resolving player disputes; and
- (e) For player-supported jackpots (PSJ):
 - (i) How a PSJ will be distributed in the event it is discontinued or the business closes;
 - (ii) Conditions under which prizes may be won;
 - (iii) Prize amount;
 - (iv) Cost to participate;
 - (v) Administrative fees; and
 - (vi) Any other conditions which may affect the outcome of the game.

Rules available for review.

(3) Any rules related to the following shall be conspicuously posted in a location readily visible by all players: Provided, That if a licensee chooses not to post these rules, the licensee shall conspicuously post a sign in a location readily visible by all players stating that the rules are immediately available upon request for review by commission staff, local law enforcement, or a player:

- (a) Methods of making wagers;
- (b) Procedures for misdeals;
- (c) Procedures for betting irregularities;
- (d) Procedures for splitting pots; and
- (e) Any other rules that may restrict a player's right to win a hand, pot, or jackpot prize.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-800 OPERATING RULES FOR HOUSE-BANKED CARD GAMES. Licensees that operate house-banked card games shall establish rules and procedures governing each specific house-banked card game played at their premises. The following restrictions and procedures apply:

(1) House-banked card games shall not be operated prior to approval as set forth in WAC 230-40-010;

(2) All house-banked card games shall be dealt from a dealing shoe or an approved shuffling device;

(3) The licensee shall submit all rules governing the game to commission staff for approval. All requests shall be in writing and include at least the following:

(a) Rules of play, including those specified by the manufacturer or supplier;

(b) Any administrative or accounting controls applicable to specific games;

(c) All specifications provided by the equipment manufacturer or supplier applicable to gaming equipment utilized in the game;

(d) Physical characteristics of the following:

(i) Cards (including procedures for receipt and storage);

(ii) Gaming chips used to play the game;

(iii) All gaming tables and layouts;

(iv) Dealing shoes;

(v) Card shuffling devices;

(vi) Card peeking devices;

(vii) Bill changer devices; and

(viii) Such other equipment as may be required for use in otherwise authorized games;

(4) Rules for each authorized game, shall include at least the following:

(a) Procedures of play;

(b) Minimum and maximum permissible wagers;

(c) Shuffling, cutting, and dealing techniques, as applicable;

(d) Dealer take and pay procedures;

(e) Payout odds on each form of wager, including any factors affecting payments to the player, such as maximum player or aggregate prize restrictions; and

(f) Procedures to be followed on occurrence of irregularities, including examples of irregularities applicable to each game;

(5) A summary of playing procedures and rules of play for each game shall be visibly displayed in the gaming area. If the procedures or restrictions are game specific, they shall be displayed at each gaming table at which the game is played.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-810 HOUSE-BANKED CARD GAMES – ODDS BASED WAGERS – PRIZES – RESTRICTIONS – PROCEDURES. A licensee may establish pay out limits for odds based wagers made at house-banked card games. An "odds based wager" means a wager for which the player is paid an increased amount over and above the amount wagered if a predetermined pattern or combination of cards is achieved. For example, a royal flush, four aces, a pair, etc. Limitations on the payout for odds based wagers are allowed only if the following restrictions and procedures are met:

(1) All payout limits, procedures for computing limits, and methods of disclosing limits to patrons shall be preapproved by the director or the director's designee;

(2) Any limits applied to individual players' winnings shall not be less than the higher of the following calculations:

(a) The maximum wager allowed for the game, times the highest odds offered up to fifty-to-one (50 to 1). For example: The maximum wager is one hundred dollars (\$100) and odds are fifty-to-one (50 to 1); then

the per player minimum is five thousand dollars (\$100 x 50 = \$5,000); or

(b) The minimum required wager for the game, as determined by house rule, times the highest odds offered for any wager in the game. For purposes of this section the "minimum required wager" shall be the total amount a player must risk in order to win. For example: The minimum allowed wager is ten dollars (\$10) and the maximum odds are one thousand-to-one (1,000 to 1); then the per player minimum is ten thousand dollars (\$10 x 1,000 = \$10,000);

(3) Any limits applied in aggregate to payments to all players in a game for winning wagers shall not be less than two times the individual player limit, as computed in subsection (2) of this section;

(4) The licensee shall clearly disclose any limits to per player or aggregate payouts on the table layout: Provided, That the director may approve alternative methods of disclosure; and

(5) The licensee shall clearly disclose all procedures for computing any per player or aggregate payouts. This explanation must be available to players in the form of a brochure or other printed media.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-840 DROP BOXES – HOUSE-BANKING – DROP BOX COLLECTION METHOD. All card room licensees operating house-banked card games or collecting fees utilizing the drop box collection method (WAC 230-40-050) shall use a drop box. Drop boxes shall be constructed and controlled in a manner to provide security of contents and shall meet the following requirements and procedures:

Drop box requirements.

(1) Each gaming table shall have attached to it a metal container known as a "drop box" into which all cash, duplicate fill slips and credit slips, request for fills, request for credits, and table inventory forms shall be deposited.

(2) Each drop box shall have the following:

Box lock.

(a) A lock securing the contents. The key to this lock shall be maintained and controlled by the accounting department;

Table lock.

(b) A separate lock securing the drop box to the gaming table. This lock shall be keyed differently from the lock securing the contents of the drop box. The key utilized to unlock this lock shall be maintained and controlled by the security department;

Opening on box.

(c) An opening through which currency, coins, chips, forms, records and documents can be inserted into the drop box;

Labeling drop boxes.

(d) Permanently imprinted or impressed thereon and clearly visible, a number corresponding to a permanent number on the gaming table to which it is attached and a marking to indicate the game. The shift shall also be included if drop boxes are removed from

tables more than once during an operating day: Provided, That emergency drop boxes may be maintained without such number or marking, if the word "emergency" is permanently imprinted or impressed thereon, and when put into use, are temporarily marked with the number of the gaming table and identification of the game and shift.

Transportation to the count room.

(3) All drop boxes removed from the gaming tables shall be transported directly to the count room and secured by one security department member and one employee of the gaming operation department: Provided, That licensees not required to maintain a count room shall transport drop boxes directly to the count area using the supervisor or the supervisor's designee for the transport: Provided further, That a licensee may utilize the count team members to pull and transport the drop boxes to the count room for the count process, if conducted under the supervision of security when the gaming operation is closed and the card room entrances/exits are locked.

Storing drop boxes in count room.

(4) All drop boxes not attached to a gaming table shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by two separately keyed locks. The key to one lock shall be maintained and controlled by the security department and the key to the other lock shall be maintained and controlled by the gaming operation department.

Storing drop boxes on gaming tables.

(5) Drop boxes, when not in use during a shift, may be stored on the gaming tables if the entire area is covered by taped surveillance.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-850 PROCEDURES FOR PURCHASING GAMING CHIPS. The purchase of gaming chips by patrons shall be conducted in a manner to ensure proper accountability of chips and cash. The following restrictions and procedures apply:

(1) Gaming chips shall only be purchased at the gaming table;

(2) The cash shall be spread on the top of the gaming table by the dealer in a manner that allows the patron, floor supervisor, and surveillance a full view of the transaction;

(3) The amount of cash shall be announced by the dealer accepting it in a tone of voice to be heard by the patron who presented the cash and the floor

supervisor specifically assigned to the gaming table. All cash changes of one hundred dollars or more shall be verified by the supervisor;

(4) Prior to giving gaming chips to the patron, the dealer shall prove each denomination of chips in a manner that discloses the number of chips to the patron, floor supervisor, and surveillance. Procedures for proving chips shall be included in the licensee's approved system of internal controls; and

(5) Immediately after gaming chips, equivalent to the cash amount paid by the patron, have been given to the patron, the cash shall be taken from the top of the gaming table and placed by the dealer into the drop box attached to the gaming table.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-855 ACCEPTANCE OF TIPS FROM PATRONS FOR HOUSE-BANKED ACTIVITIES.

Licensees may allow selected employees to accept tips from patrons. If allowed, tips shall be controlled in a manner to ensure they are only received by authorized persons, properly accounted for, and maintained separate from all other gaming funds. The following restrictions and procedures apply:

(1) No employee directly concerned with management, supervision, accounting, security, or surveillance shall solicit, accept or otherwise share any tip originating from any player or patron: Provided, That cage cashiers shall be allowed to accept tips.

(2) Each licensee shall establish procedures necessary to ensure that the acceptance of tips by dealers is observed by the floor supervisor and surveillance. Procedures shall include an overt display

of tips received, such as tapping the table with the tip prior to placing it in the tip container.

(3) Tips to the cashier shall be deposited directly into the tip container by the patron. Cashier tip containers shall be located outside the cage enclosure.

(4) Tips received shall be retained by employees or pooled among employees in such manner as determined by the licensee.

(5) Licensees shall establish and implement procedures for the proper accounting of tips received by authorized card room employees. The procedures shall be fully documented in the licensee's internal controls and shall describe in detail any methods used to allocate tips. Accounting and recording of tip income shall be in sufficient detail to meet federal income tax requirements.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-860 TABLE INVENTORIES AND PROCEDURES FOR OPENING TABLES FOR HOUSE-BANKED CARD GAMES. Procedures shall be established to ensure proper accountability of gaming chips and coins stored at gaming tables and for beginning play at such tables. The following restrictions and procedures apply:

(1) Whenever a gaming table is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "table inventory" and the licensee shall not cause or permit gaming chips or coins to be added to or removed from such table inventory during the gaming day except:

- (a) In exchange for cash from patrons;
- (b) In payment of winning wagers and collection of losing wagers made at such gaming table;
- (c) In exchange for gaming chips received from a patron having an equal aggregate face value; and
- (d) In conformity with procedures set forth in WAC 230-40-865 and 230-40-870.

(2) Each table inventory and the table inventory slip prepared in conformity with the procedures set forth in WAC 230-40-875 shall be stored during nongaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. The information on the table inventory slip shall be visible from the outside of the container. All containers shall be stored in the cashier's cage during nongaming hours: Provided, That containers may be secured at the gaming table if under taped surveillance.

(3) The keys to table inventory containers shall be maintained and controlled by the gaming operation department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such table inventories to or from the gaming tables.

(4) Licensees shall abide by the following procedures when opening gaming tables for play:

(a) The locked container securing the table inventory and the table inventory slip shall be unlocked by the gaming operation supervisor assigned to such table;

(b) A dealer assigned to the gaming table shall prove the contents of the container in the presence of the gaming operation supervisor assigned to such table and shall compare the count to the "opener," as defined in WAC 230-40-875, removed from the container. The procedures used to prove the chip and coin inventory shall be set forth in the licensee's internal controls;

(c) Signatures attesting to the accuracy of the information on the opener shall be placed on such "opener" by the dealer assigned to the table and the gaming operation supervisor that observed the dealer count the contents of the container;

(d) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the "opener," shall be immediately reported to the gaming operation manager, assistant gaming operation manager, or gaming operation shift manager in charge at such time. The manager in charge shall complete the notification of error slip, which will be verified by security and transported to accounting or the cashier's cage. Accounting will maintain a copy in the log containing the notification of error slips. The licensee shall notify commission staff within twenty-four hours of errors of two hundred dollars or more or if there is a pattern relating to regular shortages;

(e) After the count of the contents of the container and the signing of the "opener," such slip shall be immediately deposited in the drop box attached to the gaming table by the dealer.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-865 DISTRIBUTING CHIPS AND COINS TO TABLES – REQUESTS AND FILLS – HOUSE-BANKING. Gaming chips and coins shall only be distributed to gaming tables with adequate security and in a manner that ensures proper control and accountability. The following restrictions and procedures apply:

Fill slip.

(1) Each "fill slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for fills shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

(a) Each series of fill slips received by a licensee shall be controlled and accounted for separately;

(b) Request for fills shall be secured in such a manner that only a gaming operations supervisor has access;

(c) Fill slips shall be secured by the cashier's cage;

(d) These forms shall be used in sequential order and all forms accounted for; and

(e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for fill.

(2) A "request for fill" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a "fill slip" for the distribution of chips and coins to gaming tables. The original and duplicate of the request for fill shall include the following entries:

(a) The date, time, and shift of preparation;

(b) The denomination of gaming chips or coins to be distributed to the gaming tables;

(c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming tables;

(d) The game and table number to which the gaming chips or coins are to be distributed;

(e) The signature of the gaming operation supervisor; and

(f) The signature of the security department employee that distributed the chips and coins.

Transporting requests.

(3) After preparation of the request for fill, the original of such request shall be transported directly to the cashier's cage by security.

Duplicate copies of the request.

(4) The duplicate copy of the request for fill shall be placed by the dealer or floor supervisor in public view on the gaming table to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request for fill and fill slip are deposited in the drop box.

Fill slip procedures.

(5) A fill slip shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming tables from the cashier's cage. The following procedures and requirements shall be observed with regard to fill slips:

(a) Each series of fill slips shall be in triplicate form to be kept in a locked dispenser that will permit an individual fill slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy of the form shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of fill slips, placing fill slips in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on fill slip.

(6) On the original, duplicate, and triplicate copies of the fill slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins being distributed;

(b) The total amount of each denomination of gaming chips or coins being distributed;

(c) The total amount of all denominations of gaming chips or coins being distributed;

(d) The game and table number to which the gaming chips or coins are being distributed;

(e) The date and shift during which the distribution of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the fill slip shall be recorded, at a minimum, on the original and the duplicate.

Employee verification.

(8) All gaming chips or coins distributed to the gaming tables from the cashier's cage shall be transported directly by a security department employee. This employee shall verify the request for fill to the amount of the fill slip and sign the original of the request for fill, which is maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill slip for signature.

Signatures required on fill slips.

(9) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fill slips shall, at a minimum, be those of the following personnel at the following times:

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

- (a) The cashier upon preparation;
- (b) The security department employee transporting the gaming chips or coins to the gaming table upon receipt from the cashier of gaming chips or coins;
- (c) The dealer assigned to the gaming table upon receipt; and
- (d) The gaming operation supervisor assigned to the gaming table upon receipt of the gaming chips or coins at such table.

Transporting chips and coins.

(10) Upon meeting the signature requirements, the security department employee that transported the gaming chips or coins and the original and duplicate copies of the fill slip to the table, shall observe the following:

- (a) The dealer shall immediately place the duplicate fill slip and duplicate request for fill in the drop box attached to the gaming table to which the gaming chips or coins were transported; and
- (b) The security department employee shall then return the original fill slip to the cashier's cage where the original fill slip and request for fill shall be maintained together and controlled by cage employees.

VOID procedures.

(11) The original and duplicate "VOID" fill slips, the original request for fill, and the original fill slip shall be forwarded as follows:

- (a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate copy of the fill slip and duplicate copy of the request for fill removed from the drop box after which the original and duplicate copy of the request for fill and the original and duplicate copy of the fill slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

- (b) The accounting department for agreement, on a daily basis, with the duplicate fill slip and duplicate copy of the request for fill removed from the drop box and the triplicate.

Transferring chips.

(12) Transfers of gaming chips from one gaming table to another gaming table is prohibited. All transfers of gaming chips shall be to the cashier's cage.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-870 REMOVING CHIPS AND COINS FROM TABLES – REQUESTS AND CREDITS – HOUSE-BANKING. All transfers of gaming chips and coins shall be closely controlled and documented in a manner that ensures accountability. Gaming chips and coins shall only be removed from gaming tables with adequate security. The following restrictions and procedures apply:

Credit slip.

(1) Each "credit slip" shall be serially prenumbered three-part forms, which provide an original and duplicate copies as necessary: Provided, That the director may authorize use of a computer based accounting system which includes a nonrepeating sequential numbering system that is consistent with the controls and safeguards of the manual system. Requests for credits shall be a two-part form which provides an original and duplicate copy. These forms shall be controlled in the following manner:

- (a) Each series of credit slips received by a licensee shall be controlled and accounted for separately;
- (b) Request for credits shall be secured in such a manner that only a gaming operations supervisor has access;
- (c) Credit slips shall be secured by the cashier's cage;
- (d) These forms shall be used in sequential order and all forms accounted for; and
- (e) The preparer shall void forms that have errors by marking "VOID" on both the original and duplicate copies and sign the form.

Request for credit.

(2) A "request for credit" shall be prepared by the gaming operation supervisor to authorize the cage to prepare a credit slip for the removal of gaming chips and coins to the cashier's cage. The original and duplicate of the request for credit shall include the following entries:

- (a) The date, time and shift of preparation;
- (b) The denomination of gaming chips or coins to be removed from the gaming table;
- (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming table;
- (d) The game and table number from which the gaming chips or coins are to be removed; and
- (e) The signature of the gaming operation supervisor and dealer assigned to the gaming table from which gaming chips or coins are to be removed.

Employee verification.

(3) Immediately upon preparation of a request for credit and transfer of gaming chips or coins to a security department employee, a gaming operation supervisor shall obtain on the duplicate copy of the request for credit the signature of the security department member to whom the gaming chips and coins were transferred. The dealer shall place the duplicate copy in public view on the gaming table from

which the gaming chips or coins were removed. Such request for credit shall not be removed until a credit slip is received from the cashier's cage at which time the request for credit and credit slip are deposited in the drop box.

Transporting requests.

(4) The original of the request for credit and the gaming chips or coins removed from the gaming table shall be transported directly to the cashier's cage by the security department employee.

Credit slip procedures.

(5) A credit slip shall be prepared by the cashier whenever gaming chips or coins are removed from the gaming tables to the cashier's cage. The following procedures and requirements shall be observed with regard to credit slips:

(a) Each series of credit slips shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser: Provided, That if a computer system is used, which includes a nonrepeating sequential numbering system, the controls and safeguards of the manual system must be present; and

(b) Access to the triplicate copy shall be maintained and controlled at all times by an accounting department employee responsible for controlling and accounting for the unused supply of credit slips, placing credit slips in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein: Provided, That access will be permitted to an employee of the security department for the sole purpose of clearing any paper jams in the dispenser.

Information to be recorded on credit slip.

(6) On the original, duplicate and triplicate copies of a credit slip, the preparer shall record, at a minimum, the following information:

(a) The denomination of the gaming chips or coins removed from the gaming table to the cashier's cage;

(b) The total amount of each denomination of gaming chips or coins removed from the gaming table to the cashier's cage;

(c) The total amount of all denominations of gaming chips or coins removed from the gaming table to the cashier's cage;

(d) The game and table number from which the gaming chips or coins were removed;

(e) The date and shift during which the removal of gaming chips or coins occurs; and

(f) The signature of the preparer.

(7) Upon preparation, the time of preparation of the credit slip shall be recorded, at a minimum, on the original and duplicate copy.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

Signatures required on credit slips.

(8) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit slip shall be, at a minimum, the following personnel at the following times:

(a) The cage cashier upon preparation;

(b) The security department employee transporting the gaming chips or coins to the cashier's cage upon presentation to the cashier;

(c) The dealer assigned to the gaming table upon receipt at such table from the security department employee; and

(d) The gaming operation supervisor assigned to the gaming table upon receipt at such table.

Transporting chips and coins.

(9) Upon meeting the signature requirements, the security department employee transporting the original and duplicate copies of the credit slip to the gaming table, shall observe the following:

(a) The dealer shall immediately place the duplicate copies of the credit slip and request for credit in the drop box attached to the gaming table from which the gaming chips or coins are removed; and

(b) The security department employee shall expeditiously return the original credit slip to the cashier's cage where the original of the credit slip and request for credit shall be maintained together and controlled by cage employees.

VOID procedures.

(10) The original and duplicate copies of "VOID" credit slips, and the original request for credit and credit slip shall be forwarded to:

(a) The count team, as described in WAC 230-40-885(2), for agreement with the duplicate credit slip and the duplicate request for credit removed from the drop box, after which the request for credit and the original and duplicate credit slip shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

(b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit slip and request for credit removed from the drop box and the triplicate.

INTERNAL CONTROLS – GAMING DEPARTMENT SECTION (Continued)

WAC 230-40-875 CLOSING GAMING TABLES – HOUSE-BANKING. Procedures shall be followed for closing gaming tables that ensure proper accountability of gaming chips and coins. The following restrictions and procedures apply:

Counting chips and coins.

(1) Whenever the gaming activity at each gaming table is concluded for the day, the gaming chips and coins shall be counted by the dealer assigned to the gaming table and observed by a gaming operation supervisor. The entire count and closure process shall be monitored and taped by the surveillance department.

Recording the count.

(2) The gaming chips and coins counted shall be recorded on a table inventory slip by the gaming operation supervisor assigned to the gaming table.

Table inventory slips.

(3) Table inventory slips shall be three-part serially prenumbered forms and on the original of the slip (closer), the duplicate of the slip (opener), and on the triplicate, which is maintained and controlled by security, the gaming operation supervisor shall record the following:

- (a) The date and identification of the shift ended;
- (b) The game and table number;
- (c) The total value of each denomination of gaming chips and coins remaining at the tables; and
- (d) The total value of all denominations of gaming chips and coins remaining at the gaming tables.

Verification signatures.

(4) Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of closing the gaming tables shall be of the dealer

and the gaming operation supervisor assigned to the gaming table who observed the dealer count the contents of the table inventory.

Distributing table inventory slips.

- (5) Upon meeting the signature requirements:
- (a) The closer shall be deposited in a drop box attached to the gaming table immediately prior to the closing of the table;
- (b) The opener and the gaming chips and coins remaining at the table shall be placed in a clear container provided for that purpose after which the container shall be locked; and
- (c) The triplicate copy of the table inventory slip shall be forwarded to the accounting department by a security department employee.

VOID procedures.

(6) In the event the closer is voided, the preparer shall void this form by writing the word "VOID" on all copies of the form. All copies of the form shall then be forwarded to the accounting department.

(7) At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier shall determine that all locked containers have been returned to the cage and adequately secured or, if the locked containers are secured to the gaming table, a gaming operation supervisor shall account for all the locked containers.

Removing drop boxes from tables.

(8) In the event drop boxes are removed from gaming tables at other than the close of the gaming day, they shall be removed at a shift change. A table inventory slip shall be prepared as required above with the incoming and outgoing supervisor verifying the inventory and signing.

RECORD KEEPING FORMS

Include copies of all
record keeping forms in this section.

HANDOUT “B”

INTERNAL CONTROLS SUBMISSION

HOUSE-BANKED CARD GAMES

(Licensee Name)

(Date of Submission)

(Signature of CEO)

T A B L E O F C O N T E N T S

ADMINISTRATION

- *Include organization chart.*
- *List all gaming operation positions and their job descriptions.*
- *Include procedures for emergency accessibility and service. Include notification of local law enforcement*
- *Include record keeping system procedures for tracking all employees to ensure they have met licensing requirements*
- *Include hours of operation and any approval for extended hours.*
- *State which card games will be played and how many tables of each will be played.*
- *Include procedures for ensuring all card room employees are properly licensed and renewals are submitted on time*
- *Provide a key chart matrix which shows where each key box is maintained, which keys are maintained in each box and who has access to the boxes and keys.*

ACCOUNTING DEPARTMENT

- *Include copy of additional record keeping forms used which are not included in the commission record keeping packet or which have been revised from that in the record keeping packet. Any revised records must contain all information required in the prescribed format.*
- *Include name of accounting software used.*
- *Include types of reports maintained on a daily, weekly, monthly, and yearly basis.*
- *Define fiscal year.*
- *Include name and location of bank where prize account will be maintained.*
- *Include policy and procedures for the accountability and distribution of tips.*
- *If applicable, state the accounting department completes the win/loss portions independently from the count team.*
- *Include procedures for receipt, storage, and destruction of chips.*

CASHIER'S CAGE

- *Include provider of the alarm system and service for the cashier's cage.*
- *Include check acceptance policy, including check cashing limits, who authorizes, guarantee service (if used), and check buy back procedures, etc.*
- *Include NSF check policy and procedures.*
- *Include ATM cash advance policy and procedures*
- *Include policy and procedures for the accountability and distribution of tips.*

COUNT TEAM

- *Include count time*

SURVEILLANCE

- *State how many surveillance rooms are in the establishment.*
- *Include list with number and type of all surveillance equipment.*
- *Include specification sheets for all cameras, video recorders and monitors.*
- *Provide a floor plan indicating the placement of all cameras.*
- *Provide a chart describing the view of each camera.*
- *Include procedures stipulating how surveillance personnel are monitoring payouts in excess of \$500.*
- *State if the silent alarm is connected directly to the surveillance rooms of the closed circuit television system or an alarmed monitoring agency. Include the name of the monitoring company.*
- *Insert the following for each authorized game the gaming operation will offer:*
 1. *Minimum and maximum permissible wagers;*
 2. *Shuffling, cutting, and dealing techniques, as applicable;*
 3. *Dealer take and pay procedures;*
 4. *Payout odds on each form of wager, including any aggregate limits;*
 5. *Procedures to be followed on occurrence of irregularities, including explanation of irregularities as applicable to each game; and*
 6. *Prohibitions on side betting between and against player and against the house.*

SECURITY

- *State if the drop boxes will be stored in a trolley or cabinet.*
- *State if drop boxes, when not in use during a shift, will be stored on the gaming tables.*
- *Include procedures for receipt, storage, and destruction of cards.*

GAMING DEPARTMENT

- *Attach specification sheets including pictures, diagrams or drawings of the following:*
 1. *chips;*
 2. *cards;*
 3. *all gaming equipment and layouts;*
 4. *dealing shoes;*
 5. *card peeking devices; (if applicable)*
 6. *bill changer devices; (if applicable)*
 7. *other equipment as may be required for use in otherwise authorized games.*
- *Include procedures for the receipt and storage of all gaming equipment including, but not limited to, chips, dealing shoes and gaming tables and layouts.*
- *Include procedures for completing IRS requirements for large prize payouts.*
- *Insert the following for each authorized game the gaming operation will offer. The rules shall include:*
 1. *Minimum and maximum permissible wagers;*
 2. *Shuffling, cutting, and dealing techniques, as applicable;*
 3. *Dealer take and pay procedures;*
 4. *Payout odds on each form of wager, including any aggregate limits;*
 5. *Procedures to be followed on occurrence of irregularities, including explanation of irregularities as applicable to each game; and*
 6. *Prohibitions on side betting between and against player and against the house.*
- *Include procedures for the acceptance of gratuities.*

RECORDS

All records contained in the House-banked Card Room Record Keeping Packet provided to you shall be maintained in the prescribed format and provided in this section. Modifications to the appearance, but not the content, are allowed, but must be approved by the local agent prior to implementation.

Any additional records, forms, or documents not found in the House-banked Card Room Record Keeping Packet but used by the organization must also be included in this section.